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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF JULY 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 1st day of July 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; Arnold Townsend, Benny Stewart, Essie Collins, and Teall Henderson, Western Addition Project Area Committee (WAPAC); H. Welton Flynn, Roland Lakes, and Howard Elman, Pyramid Development Co., Inc.; Nicholas Loukianoff, Coldwell Banker and Company; Robert B. Marquis, Marquis and Stoller, Architects; William Murdock, Fillmore Merchants Association; James B. Phillips, E.O.D.; J. G. Stevenson, Associated Building Industry; and Tom Gage, John Yerman, and Sally Porter, interested citizens.

Representing the press were Larry Liebert, San Francisco Chronicle; Allen Cline, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and Andrew Hill, Channel 5 TV.

APPROVAL OF MINUTES

It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of June 24, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 726-A and D, 731-A, and a portion of Ellis Street to the Pyramid Development Company, Inc., Western Addition Approved Redevelopment Project Area A-2.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 726-A and D, 731-A, and a portion of Ellis Street to Pyramid Development Company, Inc. Western Addition Approved Redevelopment Project Area A-2. Proponents would be heard first.

Mr. Roland Lakes of Pyramid Development Co., Inc. (PDC) came forward and indicated that PDC, after a great deal of work, was prepared to proceed with the first portion of the Fillmore Center. He indicated that Architect Robert B.

SPECIAL APPEARANCES (continued)

Marquis and Attorney Howard Ellman were assisting PDC and were present to elaborate on design and other aspects of the development.

Mr. Howard Ellman came forward and indicated that he had been assisting PDC in putting together the proposal before the Members today. He indicated that originally a larger project was proposed and that it might seem that the development now proposed was only a scaled down version; however, this is not the case. This is a substantial first increment for development of the commercial center and he indicated that the development consisting of a total of 150,000 square feet in retail and office space would be considered significant anywhere. He noted that PDC was aware of the risk involved since the area had no strong commercial base. He also indicated that PDC had made every conceivable effort to find a major tenant to anchor the entire development but did not succeed and for this reason it is now proposed to build one increment and see if the area can support the type of development contemplated in the Redevelopment Plan. He stressed that this was a serious proposal based on an analysis of what market analysis indicated is feasible but reiterated that 150,000 square feet of retail and commercial space is a major undertaking. Mr. Ellman indicated that he believed this proposal could succeed because it was financially feasible, sensible, and was being undertaken by a committed group. He indicated that PDC had shown its serious intent by putting its money on the line and added that since the project was difficult it would need cooperation in order to be successfully concluded. If it succeeded it would represent a catalyst and the balance of the Fillmore Center could go forward.

Mr. Solvin inquired what Mr. Evans's recommendation on the proposal was and Mr. Evans responded that the proposal was of good quality and had been formulated by a capable team and he noted the firms involved. He recalled the two years of effort to develop the area with an anchor tenant and the frustration of losing that tenant at the time the development was ready to proceed. The proposal being considered now contemplates development of 155,000 square feet of net rental space with 320 parking spaces and the land sales price would be \$539,342. The development is scheduled as follows: submittal of preliminary plans by October 1, 1975; evidence of firm financing by December 31, 1975; start construction by April 1, 1976; and completion by June 1977.

Mr. Evans believed the proposal was a good one, and Mr. Solvin agreed but expressed concern that the project go forward and not be found to be a failure a year later. Mr. Evans indicated that there was no way to be certain of success but stressed the serious intent of PDC as evidenced by the placing of a 5 percent deposit of \$26,970 and the expenditure of funds by PDC to date. In reply to Mr. Solvin's question, Mr. H. Welton Flynn of PDC indicated that exclusive of the \$26,970 letter of credit, \$55,000 had been spent so far. Mr. Evans indicated that if the Members acted on the disposition agreement today PDC would be in a position to secure firm lease agreements or commitments from potential users to obtain mortgage financing.

Mr. Jensen asked what lease commitments PDC now had, and Mr. Nicholas Loukianoff of Coldwell Banker and Company came forward and indicated that to date none had been signed up although there were strong expressions of interest from several interested parties. In response to Mr. Jensen's inquiry about the type of businesses interested, Mr. Loukianoff responded that these were retail commercial and office space users although these were not tied down. Mr. Solvin expressed concern about proceeding without committed tenants and that extension

SPECIAL APPEARANCES (continued)

of time might be requested by PDC since it could be December before this was ascertained. Mr. Evans acknowledged that could be the case and noted that PDC was unable to obtain tenants and had misgauged the market then it could withdraw but noted that PDC was evidencing its good faith by spending substantial funds and time. He stressed that there was no way to predict the market conditions with total accuracy but that it appeared there was sufficient market feasibility to proceed. He added that another developer would face the same problems. The objective was to have a quality development for the benefit of the neighborhood, and this appeared to be the best chance for such development.

In reply to Mr. Jensen's question, Mr. Evans indicated there was no other interest than PDC's at this time and stressed that the development was a complex one and financing very difficult. He reiterated that PDC was well qualified and believed it could develop a financing plan and sign up tenants within the next four months.

Chairman Kaplan inquired about the architectural aspects of the project and Mr. Robert B. Marquis of Marquis and Stoller, Architects, came forward to respond. He noted the various aspects of the project on the map and stressed the importance of the neighborhood scale of a streetscape shopping area with adequate parking which would be located in plaza areas screened by landscaping behind the buildings along Fillmore Street. There would be public green spaces and offices above the commercial uses, as well as covered walkways and courtyards. A theater or performing arts center is also planned so that the area would have activity in the evening. He noted that the development would tie in with the future development of the rest of the site. Mr. Solvin inquired about the height of the buildings, and Mr. Marquis replied they would be three stories and the exteriors would be either a porcelain panel or stucco finish.

Mr. John Yerman came forward and indicated that his business had been in the Fillmore district since 1906 and that the Fillmore Center had been a part of the plans for the Western Addition A-2 since it had started in 1962. He also noted that retail business had dropped off approximately 60 percent since that time and that it was important to get businesses coming back into the area. He indicated that it would be difficult to get signed leases unless the developer controlled the land, and that PDC should be given an opportunity to develop the Center.

Mr. James B. Phillips of E.O.D. indicated he was both for and against the development. He expressed eagerness to see development start but noted that PDC had had two and one-half years to develop the area and nothing had been done. He stressed his desire to have E.O.D. build the Center.

Chairman Kaplan inquired if other proponents wished to speak and there being none, he indicated that opponents would be heard.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and indicated that he was opposed to the development because it did not give the people in the Fillmore area what they wanted. He alleged that PDC had ignored WAPAC and that this was evidenced by representatives from Coldwell Banker and Company presenting material today which WAPAC had not been allowed to review. He noted that the people in the community knew what was needed, not representatives of outside firms. He indicated that this was a development the

SPECIAL APPEARANCES (continued)

the Agency and the Department of Housing and Urban Development (HUD) wanted to revitalize the neighborhood, but he noted that it did not benefit the community people because they did not participate in its planning and would not own it. Mr. Townsend read excerpts from the Agency's 1970 marketing brochure for the Fillmore Center concerning the community needs and opportunities. He believed that the PDC proposal was not in accordance with this brochure and that it mentioned nothing relating to people. He also claimed that PDC had missed every scheduled deadline and there was no reason to believe they would meet future ones. He noted that other shopping centers provided management training for people and suggested that this training be incorporated in this proposed development.

Chairman Kaplan indicated that only two blocks were under consideration today and suggested that if WAPAC had any proposals they should be brought to the Agency for consideration. Mr. Townsend expressed concern about PDC's role regarding the balance of the Center. He also expressed concern that there was a conflict of interest because Mr. Flynn was the Mayor's appointee as president of the Public Utilities Commission. He noted that in response to the WAPAC request for investigation of this alleged conflict, the City attorney who had written the opinion that there was no conflict was also the attorney for the Public Utilities Commission. He alleged that this conflict now extended to the Agency because its funds came from community development monies allocated by the Mayor, as well as the fact that the Members were appointed by the Mayor.

Mr. Benny Stewart of WAPAC came forward and alleged that PDC received preferential treatment by the Agency toward proposals made by a coalition of community people. He noted the business that gave character to the Fillmore district should provide a variety of shopping opportunities and services to the people. He wanted a development oriented to community needs on a nonprofit ownership basis and expressed concern that PDC was a front group for an unknown entity. He wanted a shopping center that would be sustained not only by the people but by others from outside the Fillmore district. He expressed concern that the development not be dependent upon one major anchor tenant and noted the potential effect on the community in the event it shut down.

Mrs. Essie Collins came forward and indicated she had lived in the community for 21 years and asked for assurance that community people could come in with proposals for the remainder of the Fillmore commercial center and asked for designation today. She indicated that the present proposal did not have community input and would not get off the ground. She noted that PDC had had exclusive rights for two years and that the community was not consulted in regard to the drawings.

Mr. William Murdock of the Fillmore Merchants Association came forward and indicated that it was difficult for the Fillmore area to get anything done. He believed PDC had been conscientious in developing the Center but money was difficult to obtain. He indicated that while the Center would provide the facilities for people to move businesses in again the real issue was that merchants would be competing with the large businesses downtown. He suggested that because the downtown interests did not want competition this was one reason the project had not proceeded earlier. He asked that land be open so anyone could purchase it. He threatened a taxpayer's suit against the Agency and HUD if the Center did not go forward.

SPECIAL APPEARANCES (continued)

In response to Mr. Stewart, Mr. Evan reiterated the time schedule indicating construction was to start by April 1, 1976. He also noted that the brochure mentioned by Mr. Townsend was published by the Agency in 1970 as an offering brochure and that in response a group was formed, headed by Dr. Carleton Goodlett, which worked on development of the Fillmore Center for three years but failed to obtain adequate financing. He recalled that this group was endorsed by the Agency as a partnership of community based commercial interests but it was unable to develop a feasible financial plan. With the high interest rates and a downturn in the economy it was apparent that in order to start the Fillmore Center development it was essential that a group be formed that would have financial strength. At that point only PDC expressed an interest in developing the Center and it appeared to have adequate financial strength, therefore, the Agency encouraged PDC to attempt the development. Mr. Townsend indicated his appreciation that a black developer had been selected but that this was meaningless since PDC was not representative of community interests.

There being no further persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed. Mr. Jensen suggested that item 9(a) be taken out of order for consideration.

NEW BUSINESS

- (a) Resolution No. 135-75 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments, all in connection with the sale of Parcels 726-A and D, 731-A; and a portion of Ellis Street, Western Addition Approved Redevelopment Project Area A-2.

Mr. Evans indicated that this was the subject of the public hearing just held and represented disposition of Parcels 726-A and D and Parcel 731-A and a portion of Ellis Street to the Pyramid Development Corporation for \$539,342 for development of two blocks of the Fillmore Center.

In response to Mr. Jensen's inquiry, Agency General Counsel Henry F. Davis indicated that the Agency had an option to declare the developer in default upon any date not adhered to. Mr. Jensen expressed concern that PDC had previously asked for extensions of its deadlines and still had only proposed development of the two blocks. He indicated concern that the project would be tied up and development further delayed. To prevent this, Mr. Jensen suggested that the action today be qualified with the requirement that there be no extensions of the scheduled dates in the disposition documents.

Mr. Evans asked consideration of the lack of development proposals for this land and stressed that it was an economically difficult time. Mr. Mosley agreed stressing that money was tight and he expressed concern that restraints be placed on this particular development. He believed that PDC should have an adequate opportunity to develop the area since it had shown good faith. In response to Mrs. Collins's comments, Mr. Mosley suggested that WAPAC attempt to bring in a development proposal.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and on roll call vote unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

Messrs. Silva and Solvin stressed that the developers be impressed with the Members' concern that the disposition schedules be adhered to.

Mr. Phillips requested that the Agency respond to his requesting author zat or to bring in a proposal. Mr. Evans noted that a letter would be sent which would indicate that any proposal would be given consideration.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) A hearing will be held on the Yerba Buena Center Sports Arena proposals on July 3, 1975 in Room 228 at 2 p.m. in the City Hall. The Mayor will conduct the hearing.
- (b) Also in Yerba Buena Center, the general contractor has agreed to a four months' extension of the bid on construction of the Yerba Buena Center public facilities while legal efforts proceed.

NEW BUSINESS (continued)

- (d) Resolution No. 137-75 awarding Demolition and Site Clearance Contract No. 63, Western Addition Area A-Z, to Myron Demolition.

This concerns award of a demolition and site clearance contract to the lowest of three bidders, Myron Demolition, for \$64,075 to demolish twelve buildings in Western Addition A-2.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 141-75 approving agreement for emergency repair of gas lines in the Hunters Point Project.

This represents ratification of an action of the Executive Director and authorizing him to execute a purchase order to the Pacific Gas and Electric Company for the sum of \$2,859.37 for repair of Agency-owned gas lines in Hunters Point.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 145-75 awarding Personal Services Contract HE-30, Hunters Point Redevelopment Project, to Jacobs Associates.

An offer to settle has been received from CEME for the claim on Site Improvement Contract No. 2. The offer was for \$1,800,000 which includes the Chet Smith claim. Additional information was also received. Jacobs and Associates has substantiated the CEME claim so far in the amount of \$1,085,383, and the engineering staff estimates \$77,970 for the Smith delay costs which with the retention amount of \$84,939 totals a valid claim of \$1,248,292. A contract with Jacobs and Associates is recommended to analyze the new material submitted at a cost not to exceed \$25,000.

MOTION: Mr. Jensen moved that the resolution be adopted.

Mr. Silva indicated that the original contract with Jacobs and Associates was

NEW BUSINESS (continued)

for \$50,000 and inquired if this \$25,000 would complete the costs for research of the claims. He indicated concern that the original work by Jacobs and Associates was not concentrated on the CEME claim. He also inquired if it was customary for a report such as the one done by Jacobs to become public. Mr. Jensen withdrew his motion.

Mr. Davis noted that he could not project the costs of the case and stressed that the \$25,000 was insufficient to cover such costs as those of expert witness fees since there was no way of knowing how much trial time would be required. He stressed that the Jacobs analysis was necessary to the evaluation of the case. In reply to Mr. Silva's question, Mr. Davis replied that \$25,000 was expected to be adequate to cover the research costs.

Mr. Davis indicated that the \$1.8 million settlement offer was unexpected and that previously he had been advised the minimum figure CEME would consider exceeded \$2.4 million. In reply to Mr. Silva's question, Mr. Davis indicated that retention money had been paid in December 1974 to prevent the running of interest on it and that action on this would not come before the Members since it was monies owed as part of the contract. In response to the Members' questions, Mr. Davis indicated that the staff had looked at the claims but lacked the expertise to thoroughly analyze the material. Mr. Solvin asked if the \$1.8 million settlement offer included the Smith claim, and Mr. Davis responded affirmatively noting that CEME's lawsuit was for \$6 million. In response to Mr. Silva's inquiry he noted that negotiations with CEME had taken place in San Francisco.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 138-75 awarding Demolition and Site Clearance Contract No. 2, Stockton-Sacramento NDP Project Area A-5-2, to T & R Excavators.

This item is for an award to T & R Excavators for \$9,640 for Demolition and Site Clearance Contract No. 2 in the Stockton-Sacramento project to demolish two wood-frame buildings.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 139-75 authorizing write-off of certain delinquent rents due and credit balances owed, Yerba Buena Center, Western Addition A-2, and Hunters Point-India Basin.

This is a write-off of \$92,502 for all projects and a write-off of credit rent balances of \$181. This is in accordance with the Agency's rental policy and HUD regulations which provide for the charge-off of rental accounts when the probable cost of future collection effort is not warranted, collection would impose undue hardship on the tenant, or there is no reasonable prospect of collection. Rental collections for the Agency still average over 90 percent. In reply to Chairman Kaplan's question, Mr. William McClure, Deputy Director of Residents and Business Services, indicated that none of the tenants in the Goodman Building were on the list and collections of their rents were being pursued in the normal manner.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (g) Resolution No. 142-75 approving work order for residential environment and building inspection services for the period July 1, 1975 to June 30, 1976 for Western Addition A-2, Yerba Buena Center, Hunters Point, and India Basin Industrial Park Approved Redevelopment Project Areas.

This is a \$25,000 work order with the Department of Public Works to continue rehousing inspection services required by the Uniform Relocation Assistance and Real Property Policies Act of 1970. In reply to Mr. Jensen's question, Mr. Evans indicated that the inspectors certify that proposed relocation units meet relocation standards.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 140-75 travel authorization.

This is for authorization of travel for Mr. Steven F. Nord, Agency Attorney, to attend a seminar in Los Angeles given by the Practising Law Institute on July 14 to 15, 1975. The cost is a registration fee of \$150 plus related travel expenses.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 144-75 travel authorization.

This requests travel authorization for Mr. Arnold W. Baker, Director of the Central Relocation Services, and two staff Members, to attend a three-day Skills Development Workshop on Relocation, Social Services, and Citizen Participation from July 8 to 10, 1975 in St. Louis, Missouri.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

Mr. Jensen indicated that in regard to the arena proposals in Yerba Buena Center he would like to have the opportunity to see similar sports arenas in order to have a basis for determining if the design will be appropriate.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:25 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

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~~MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JULY 1975~~

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 8th day of July 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Stuart A. Wein, Paul Durkhart, Curt Firestone, Diamond Heights Neighborhood Association; Warren Simmons, Tia Maria Restaurants; Phillip Richardson and R. Cardinaux, Developers; Charles Turner and Stephen J. Moch, Assemblyman Willie Brown's office; and J. Murdock, Fillmore Developers.

Representing the press were Larry Liebert, San Francisco Chronicle; Lyn Ludlow, San Francisco Examiner; and Marc Elliott, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of July 1, 1975, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Last Wednesday a Board of Supervisors Joint Finance-Planning and Housing Development Committee conducted a hearing on Yerba Buena Center to consider whether changes should be made in the Yerba Buena Center design. The Mayor appeared and urged adherence to the present design as changes would be expensive and time-consuming. He also urged that all concentrate on efforts to vigorously move the private sector to construct the arena and other private development and to bring the pending litigation to an end. The Supervisors accepted this recommendation and took no action.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- b) On Thursday the Mayor conducted a public hearing on the presentation of the sports arena proposals. The two developers were present and a third group appeared with a proposal similar to that of Lyman Jee's which has as a prototype the sports arena recently opened in Washington, D.C. At the hearing the Mayor announced that the Agency had full authority to make any decisions with regard to the proposals, however he did not preclude his making his own recommendation. The Mayor also observed that all of the developers appeared to be thin in their financing plans and urged them to strengthen this aspect of their proposals. In terms of a time schedule it is proposed that the staff and Members inspect the sports arenas in Minneapolis, Cincinnati, and Washington, D.C., the former two being the prototype of Swig and the latter being the prototype of the third developer's proposal. Jee not having a prototype, has utilized elements of the Oakland Coliseum design including the use of glass walls and exterior bracing and interior features similar to the Forum in Los Angeles. After this inspection tour of the sports facilities in these cities, a Special Meeting is scheduled for July 17, 1975 at 2 p.m. for the purpose of considering the developer's proposals. No meeting will be held on Tuesday, July 15, 1975.
- (c) Mr. Evans indicated that there has been a continuing problem in completing the Phase I housing in Hunters Point. Several months ago the Department of Housing and Urban Development (HUD) determined that Sites 4 and 5 could not be built unless certain public housing units were demolished. After negotiations w th the Mayor's Office, it was agreed that the San Francisco Housing Authority would undertake a modernization program in Hunters Point which HUD would help finance for \$10- to \$12 million. Last week modernization funds were allocated to the Housing Authority in the amount of only \$4 million. The Mayor's Ofice has requested HUD Secretary Carla Hills to reconsider the situation and provide the originally agreed upon sum. A meeting is to be held in Washington to discuss the matter and both the Mayor and members of the Agency staff have been asked to attend.

BUSINESS

- (a) Consideration of the offer of the Walter and Elise Haas Foundation to acquire Parcel Q-3 in the Diamond Heights Approved Redevelopment Project Area B-1 for public park purposes.

Mr. Evans indicated that this concerned the last remaining commercial parcel in Diamond Heights which is situated at the intersection of Diamond Heights Boulevard and Addison Streets. He noted that for a number of years the community has endeavored to find ways to add this 33,000 square-feet to the Walter Haas Playground and that now the Haas Foundation has indicated it will purchase the parcel for its fair market value of \$100,000 and donate it to the City for inclusion in the playground. This relieved the dilemma created by HUD regulations which require the Agency to be paid market value for the land. Mr. Evans recalled that there had been little developer interest in this small view parcel which was originally intended as a quality restaurant site. About three years ago it was again considered for offering to competitive bidding but the Diamond Heights Neighborhood Association requested that they have an opportunity to obtain financing for a community facilities building on the site. The Board of Supervisors requested that the Agency delay offering the parcel while the Neighborhood Association attempted to secure funding. Approximately eight months ago it was finally decided that this effort was financially infeasible. On January 7, 1975 the offering of the Q-3 parcel was authorized and on March 31, 1975 four commercial proposals were received from Hayman Homes for a minishopping center; Dohrman Company for a medical office building; Tia Maria Company for a

NEW BUSINESS (continued)

restaurant; and Phillip Richardson for a minishoping center. On April 28, 1975 the proposal was received from the Haas Foundation which was subject to two conditions: (1) endorsement of the proposal by the Diamond Heights Neighborhood Association, and (2) acceptance of the area for maintenance by City Agencies. On May 9, the Neighborhood Association endorsed the Haas offer and on June 12 the Recreation and Park Department indicated acceptance of the area. The Board of Supervisors Finance Committee is to consider the matter on July 9. Mr. Evans indicated that the staff recommendation was complicated by the fact that all four developer proposals were of high quality. He also noted that there was a great deal of park area in Diamond Heights and mentioned that there was a possibility that the eight lots on Berkeley Way may also be used for open space.

Chairman Kaplan inquired if there were any persons present who wished to speak on the matter. Mr. Stuart A. Wein of the Diamond Heights Neighborhood Improvement Association came forward to strongly reaffirm the community's endorsement of use of this proposal for preservation of the parcel for open space and expressed appreciation for the generous Haas gift.

Mrs. Gail Durkhart came forward and reiterated the community's endorsement of preservation of the Q-3 parcel as open space and indicated that the General Manager of the Recreation and Park Department had also endorsed the park use. She noted the danger in additional traffic generated by commercial use at the site and the difficulty of parking approximately 300 cars. Mrs. Durkhart also stressed this was a site where a view of the City could be enjoyed by all. She indicated that the developers' proposals were attractive but the community preferred to have the area preserved for park use.

Mr. Phillip Richardson, one of the prospective developers, came forward and indicated that he had known about the parcel for five years and it was his intention to develop it in such a way as to do something of benefit for the community. He indicated that there was already a generous amount of open space in the project but very few shopping facilities for a community of 9,000 people, which made the commercial space costly for tenants. He indicated he had spent a month and a half developing an attractive proposal for the parcel and that he had indication of commitments from sufficient tenants to utilize the space. He believed there was a need for further commercial development and noted that he had met with the community representatives for input prior to making a proposal. He indicated that he had made the bid in response to the Agency's invitation and that his cost in making the proposal was to be wasted by the Haas generous contribution. He indicated that he had spoken with Mr. Haas and suggested that his money be used elsewhere to provide open space in Diamond Heights. He indicated that a possible use was for the Walter Haas Playground which has been vacant for ten years.

Mr. Warren Simmons of Tia Maria Restaurants came forward and indicated that it was difficult to oppose the generous offer of Mr. Haas for preservation of Parcel Q-3 as open space, but he believed the Agency was committed to designating a developer after inviting proposals. He indicated that his proposal met the requirements specified in the invitation to bid and that the land was zoned for commercial use and was an excellent restaurant site. He indicated that the Walter Haas Playground was 35 feet below Parcel Q-3 and was a windy area and that development of the parcel would protect the playground from the wind. He indicated he was sympathetic to the Diamond Heights Neighborhood Association for open space and as a result had indicated he would donate \$64,000 to purchase the eight lots on Berkeley Way which he understood the Association wanted to preserve as open space. In addition to his \$100,000 for Parcel Q-3 and the

NEW BUSINESS (continued)

\$64,000 for the Berkeley Way lots, he would also donate the \$30,000 additional needed to keep "Billy Goat Hill" for open space.

Mr. Curt Firestone of the Diamond Heights Neighborhood Association came forward and indicated that there was already a restaurant in the shopping center plus a drug store, Safeway, and other small businesses which brought in not only people from the project area but from other parts of the city. He indicated that Diamond Heights was basically a residential neighborhood and expressed concern that another restaurant would increase traffic problems. He acknowledged that the developers had spent much effort in their proposals but the neighborhood's first priority was to preserve the open space.

Mr. Silva requested that the matter be held over until he had had an opportunity to study the four proposals and allow time to explore the possibility that Mr. Haas would contribute to another piece of land. Mr. Jensen indicated that he was impressed with the view site and wanted other people in the city to enjoy it and asked that the matter not be held over since not all Members would be present at the next meetings. Mr. Solvin indicated that there was a lack of park space in the city and he believed every opportunity to create a new park should be considered.

Mr. Silva asked if there was a deadline for making a decision and Mr. Evans indicated that there was not. Mr. Evans also noted that it was a difficult decision because all of the development proposals were good, however, because of the small size the parcel was not especially appropriate for commercial development. He indicated that it was the staff's recommendation that the procedures to accept the gift be started. These could include a Plan Change and would also necessitate the city's assurance to accept the area for maintenance.

Resolution No. 121-75 encouraging the Board of Supervisors of the City and County of San Francisco to accept the offer of the Walter and Elise Haas Foundation to acquire Parcel Q-3 in the Diamond Heights Approved Redevelopment Project Area B-1 for public park purposes.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Jensen.

Mr. Silva inquired whether the Agency had a legal obligation to the developers who had responded to the Agency's invitation for development proposals and expended their time and money in responding. Mr. Evans stated that in the opinion of Agency General Counsel Henry F. Davis the Agency had a right to refuse any and all proposals and further that any payment to reimburse them would constitute a gift of public funds and be improper. Mr. Silva indicated that Diamond Heights appeared to have more open space than any other area in San Francisco and Mr. Evans agreed. Mr. Jensen indicated that a great deal of the Diamond Heights open space was terrain too difficult to develop.

Chairman Kaplan indicated that Mr. M. Justin Herman had originally contemplated placement of a view restaurant on the site but there had been no developer interest on the site. He noted that the Recreation and Park Development has indicated approval of its development as a park and noted that although he was sympathetic to the developers for their efforts expended, it appeared the park was what the community wanted.

NEW BUSINESS (continued)

Mr. Silva indicated his understanding that the site had been withheld from development proposals and Mr. Evans indicated that it had been for a period after there were no takers for its use as a commercial site while the community endeavored to find an alternate use.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Jensen, that this resolution be adopted, and on roll call the following voted "Aye":

Mr. Kaplan
Mr. Solvin
Mr. Jensen
Mr. Mosley

and the following voted "Nay":

None

and the following abstained:

Mr. Silva

The Chairman thereupon declared that the motion carried.

Mr. Silva indicated he was abstaining because he wished more time in order to study the proposals presented.

- (b) Resolution No. 147-75 approving letter agreement with PG&E for replacement of overhead transmission line with underground facilities in Site 4b, Hunters Point Redevelopment Project NDP A-5.

This represents an agreement for \$1,452 with the Pacific Gas and Electric Company for replacement of a 12.5 KV primary transmission line with underground facilities which would serve the Jedediah Smith School in Hunters Point. The line is in an easement transversing Moderate-Priced Private Housing Site 4b and replacement would eliminate conflict with future housing construction and allow abandonment of the easement.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 146-75 award of a site improvement contract to Bay Cities Paving & Grading, Inc., Hunters Point Redevelopment Project NDP A-5.

This concerns a contract with the Bay Cities Paving & Grading, Inc. for \$2,405 for construction of new sidewalks at two locations in the Hunters Point project. Bay Cities was the lowest of three bidders.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 148-75 travel authorization.

This item is an authorization for travel of Mr. Steven Nord, Agency Attorney, to travel to Los Angeles on July 11, 1975 to attend a conference of redevelopment attorneys to consider State legislation.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 143-75 travel authorization.

This is an authorization for travel of Mr. Richard Marshall, Business Development Specialist for India Basin, to travel to Nashville, Tennessee to attend a marketing seminar to be held July 20-22, 1975 sponsored by the National Association of Industrial Parks. The cost is \$550 plus per diem expenses.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 150-75 rejecting all bids received in connection with Site Improvement Contract No. 9, Hunters Point Redevelopment Project, NDP A-5.

Mr. Evans indicated that several months ago bids were opened for work in Hunters Point involving various clean-up items such as handicap ramp construction and paving of areas for recreation use; however, HUD has denied the request for construction of the handicap ramps and since this work constituted one-half of the contract amount their deletion exceeds the percentage of work that can be removed from the contract. It is therefore recommended that all bids be rejected and the remaining items of work be rebid.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 152-75 authorizing travel.

A meeting with HUD staff is being set in Washington, D.C. for the purpose of requesting that HUD provide more money to the Housing Authority for the modernization of public housing units in Hunters Point. It is recommended that one staff person attend the meeting when it is arranged.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 153-75 authorizing travel.

In connection with the selection of design for the Sports Arena in Yerba Buena Center it is strongly recommended that the Members personally view three prototype arenas located in Minneapolis, Cincinnati, and Washington, D.C. before making their selection. The cost of travel is estimated at \$3,500. Mr. Jensen indicated that this was the first trip made by the Members in eight years and it would afford a better basis for the Members to evaluate the proposals.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

Minutes of a Regular Meeting, June 5, 1955

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

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~~MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY OF JULY 1975~~

The Members of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 2:00 o'clock p.m. on the 17th day of July 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Lyman Jee, T. Y. Lin, and Henry Poy, Arcon/Pacific Limited; Fred Stanford, Yerba Buena Sports Center Group; Mel Swig, representing the Swig Group; Shelly Saltsman, consultant; Esther Marks, League of Women Voters of San Francisco; John Tolan, Office of the Mayor; Mario Ciampi, architect; Steve Dutton and Peter P. Mendelsohn, TOOR-TODCO; Victor Honig, Citizens Committee on Yerba Buena Center; Teall Henderson, Western Addition Project Area Committee (WAPAC); Robert S. Skinner, Balboa Insurance Company; Vincent Courtney, Local 400; and Barbara Dailey, Robert Schmidt, Richard Livingston, and Leland S. Meyerzove, interested citizens.

Representing the press were Larry Liebert and Ralph Craib, San Francisco Chronicle; Don Canter, San Francisco Examiner; Marc Elliot, San Francisco Progress; and Mel Wax, TV Channel 9 Newsroom.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of July 8, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels P-4 through P-13 and P-15, Diamond Heights Approved Redevelopment Project Area B-1.

(a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels P-4 through P-13 and P-15, Diamond Heights Approved Redevelopment Project Area B-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

SPECIAL APPEARANCES (continued)

(b) Mr. Vincent Courtney came forward, representing Local 400, to address the Members in connection with an employee grievance occurring in the Residents and Business Services Division at the Western Addition site office. Mr. Courtney indicated that the matter had been taken to arbitration and the arbitrator had decided in the Union's favor but the decision had not yet been implemented. Because of this noncompliance morale was low in the division. Mr. Courtney noted the possibility of a request for strike sanction and requested that the Members consider the matter. In response to Mr. Jensen's inquiry Mr. Courtney indicated that he had been dealing with the personnel officer but he believed that Mr. Arnold Baker, Director of Central Relocation Services, was the person with whom the matter should be discussed; however, since the issue concerns Mr. Baker's division, he is part of the problem.

Mrs. Bernice Watkins, from the Western Addition site office and chairperson of the Local 400 Redevelopment Section, came forward and indicated that there had been from twelve to fourteen unnecessary grievances because of Agency refusal to deal with the problems in the Residents and Business Services Division. Mr. Courtney indicated that he did not wish to undermine the recently approved Memorandum of Agreement but that there needed to be representation from the Agency to resolve these problems.

Mr. Evans indicated that Mr. Wilbur Hamilton, Deputy Executive Director, was working on the matter. Mr. Evans noted that because the Residents and Business Services Division directed by Mr. Baker constituted 50 percent of the total Agency staff, it was not unusual that a proportionately large number of grievances originated from that division. Mr. Jensen indicated that he was pleased a few weeks ago when the execution of the Memorandum of Agreement evoked no adverse comments from either side. He requested that Mr. Evans meet with the Union in an effort to ascertain the difficulty.

Mrs. Watkins indicated that in addition to not implementing the arbitrator's award, the Agency was creating another problem by placing an employee in an acting supervisorial position which affords pretraining of the employee thereby giving an unfair advantage over others who are interested in applying for the position when it is offered on a permanent basis. She stressed that morale was extremely low. Mr. Jensen again suggested and Mr. Evans agreed that he would meet with the representatives of Local 400.

Mr. Arnold Baker came forward and indicated that he had never been in contact with Mr. Courtney before today. He stressed that his division serviced people and that the first consideration he had to make in administering his division was to be sure employees provided these services. He indicated the efforts made to insure a high level of service. He also indicated that all vacant positions were posted and that the position the Union was discussion had been assumed on a temporary basis while the job was posted and interviews held. Mr. Baker stressed his availability to meet with Mr. Courtney.

Mr. Courtney indicated that the arbitration resulted from bad faith exhibited by the Agency. When the Agency was backlogged the Union had permitted a temporary appointment outside the bargaining unit provided that someone within the bargaining unit was trained but the Agency had attempted to make the position permanent after six months. The arbitrator awarded the case to Local 400, however, the problem continues despite the arbitrator's decision. Mr. Courtney contended that unless something was done the Memorandum of Agreement was meaningless. Mr. Evans indicated he would arrange a meeting.

SPECIAL APPEARANCES (continued)

Mr. Hamilton indicated that the labor relationships were an ongoing process and in this particular case the Agency supervisor had made a decision with which the arbitrator disagreed. He noted that this was the first of seven or eight cases heard that the Union had won for approximately four years. He stated that with regard to the new complaint about the appointment for a temporary position, the Memorandum of Agreement requires that the most senior person with minimum qualifications be appointed and in this case the Agency believes the senior person does not possess the necessary qualifications; therefore, the next senior person was temporarily appointed. Mr. Hamilton indicated that the arbitrator's award indicated the employee should be released immediately; however, the personnel policy stipulates that two weeks' notice be given, and also it is important to have a training period for the replacement person. Mr. Hamilton indicated that Mr. Courtney had not responded to attempts of the Agency to reach him. Discussion followed on the issue of notice for terminated employees and Mr. Hamilton indicated that the man would be released within a month allowing a two weeks' training of his replacement individual and two weeks' notice. Mr. Mosley inquired if the Union and the arbitrator had intended that the person be released immediately without termination notice and Mr. Hamilton answered affirmatively. Chairman Kaplan directed that the Union representatives meet with Mr. Evans to further consider the matter.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) A groundbreaking was held yesterday to mark the start of construction of the Community College in the Yerba Buena Center at Fourth and Mission Streets. There are now two major buildings under construction in Yerba Buena Center.
- (b) The tour taken by the Members to view sports arenas in Cincinnati, Minnesota, and Washington, D.C. was extremely useful in providing a background for the Members and staff and City officials to judge the proposals received on the Yerba Buena Center arena.

NEW BUSINESS

- (a) Resolution No. 149-75 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcels P-4 through P-13 and P-15, Diamond Heights Approved Redevelopment Project Area B-1.

This was the subject of the public hearing just held and concerns sale of eleven parcels on Gold Mine Drive in Diamond Heights at the fair market price of \$84,500, to Vincent P. Walsh, doing business as the Progressive Builders. Disposition is scheduled in three phases from November 1975 through August 1976.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (b) Consideration of proposals for construction of the Sports Arena in the Yerba Buena Center Approved Redevelopment Project.

Chairman Kaplan indicated that this item would be held over as the last item on the agenda.

- (c) Resolution No. 151-75 authorizing acquisition of certain real properties by eminent domain proceedings required for the redevelopment of the Stockton/Sacramento Approved Redevelopment Project Area.

This represents authorization to carry out eminent domain proceedings in the project area. There are two remaining owners in the Stockton/Sacramento project area. Negotiations over the past six months have been unsuccessful and it may be necessary to acquire these properties through court action.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 155-75 authorizing the Executive Director to execute an inter-departmental work order to Hetch Hetchy Water and Power, Western Addition Redevelopment Project Area A-2.

This is a work order to Hetch Hetchy Water and Power for \$1,277 to relocate a power pole located in the driveway of Moderate-Priced Private Housing Site 16.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 157-75 forfeiture of bid bond on Site Improvement Contract No. 16, Western Addition Approved Redevelopment Project Area A-2.

This concerns work under Site Improvement Contract No. 16 in the Western Addition A-2 which was awarded to the low bidder, Kenj Construction, for \$12,761 to reconstruct five street intersections at Sites 11 and 16. Mr. Solvin inquired how much the bid bond was and Agency General Counsel Henry F. Davis replied that it was \$1,200.

Mr. Robert Skinner of Balboa Insurance Company came forward and indicated that at the time the contractor met with the Agency in December 1974 the Agency had no funds to award the contract and if the contract were not awarded within 45 days the bid would be null and void. The 45 days passed and award was not made until May 1975. Mr. Redmond Kernan, Director of the Engineering Division, indicated that there was a misunderstanding because the contract was awarded in December 1974, and Mr. Kenneth Jackson of Kenj Construction did not obtain the bond.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley.

Mr. Silva rescinded his motion. The Members indicated that the matter was to be referred to staff for evaluation.

NEW BUSINESS (continued)

- (f) Resolution No. 154-75 authorizing the Executive Director to award a contract with Pacific Pavements Company, Limited for the Hunters Point Approved Redevelopment Project Area.

This item concerns award of a contract to the low bidder, Pacific Pavement Company, for \$19,500 to resurface upper levels of LaSalle and Cashmere Streets which are temporary streets needed until they are permanently replaced within four years and to pave play areas adjacent to Moderate-Priced Private Housing Site I in the Hunters Point project area.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 156-75 approving a modification to the agreement with PG&E for gas main extension, Site Improvement Contract No. 12, Hunters Point NDP -F.

This concerns modification of an agreement with the Pacific Gas and Electric Company for extension of gas mains under Site Improvement Contract No. 12 in Hunters Point at a cost from \$5,383 to \$6,359. Costs have escalated from the time the agreement was approved in October 1974 while efforts to secure Department of Housing and Urban Development (HUD) eligibility approval. In reply to Mr. Silva's question, Mr. Evans indicated there will be a refundable advance.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 158-75 authorizing the Executive Director to enter into a contract for janitorial services at the Yerba Buena Center site office.

This item represents award of the Yerba Buena Center site office janitorial contract to the low bidder, Albright Maintenance Service, for \$115.54.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Consideration of proposals for construction of the Sports Arena in the Yerba Buena Center Approved Redevelopment Project.

Chairman Kaplan indicated that each developer would be allotted fifteen minutes in which to make his presentation and five minutes for rebuttal. He invited Mr. Mel Swig and his group to speak first, but Mr. Swig indicated that since a new proposal had just come in today he would prefer to hear the developer's proposal before making his own. Mr. Lyman Jee concurred in this request and Chairman Kaplan then invited Mr. Fred Stanford, who represented the J. J. Graham group and the George Hyman Construction Company, to present his proposal.

Mr. Stanford thanked the Members for considering his proposal which was submitted two weeks late and requested that in the future his group be referred to as the Yerba Buena Sports Center Group, and he indicated that the group consisted of the following principals: the George Human Construction Company of Bethesda, Maryland, represented by Mr. A. J. Clark, President, which built the Capital Centre Arena in Landover, Maryland; Albert C. Martin Associates, Architects, which is one of the largest architectural and engineering firms in the western United States; Jim Lyle, interior designer; and James Weiss.

NEW BUSINESS (continued)

Mr. Stanford indicated that this experienced group would bring to Yerba Buena Center the type of quality arena and management consistent with the requirements of a downtown arena. He noted that the key factors favoring his group's proposal were: (1) the strength, experience, and capability of the architectural-builder team; (2) the financing; and (3) the design which would be predicated upon the urban setting of the arena and incorporate the requirements of the City and Agency. He stressed that the proposal encompassed the points emphasized by Mayor Joseph L. Alioto at his press conference.

Mr. Stanford indicated the financial strength of the George Hyman Construction Company and noted the applicable experience of the firm including construction of an arena in Lanova, Maryland. Mr. Stanford stressed that the president, Mr. A. J. Clark, had made a complete study of multipurpose arenas since it is the group's belief that the arena design is to serve not only sports but entertainment purposes as well. As is exemplified by the Maryland arena it is possible to make an arena into a profitable entity and the experience of the team would enable it to lower costs while retaining the quality of improvements. Mr. Stanford indicated that his architectural firm, Albert C. Martin Associates, would work with the Agency's firm of McCue Boone Tomsick and noted that the proposed design was similar to that which the Members saw in Maryland and would be adapted to Yerba Buena Center. He indicated on renderings of the proposed arena how the exterior design would be a contribution to San Francisco's downtown and noted that the building will be earthquake-proof tying in architecturally with the Yerba Buena Center convention center and exhibit hall. Mr. Stanford stressed the multipurpose aspect of the arena which included use for entertainment, concerts, conventions, space for administration and home team offices, facilities for spectators, press, performers, athletic teams, storage of equipment, cocktail lounge, fast food service, athletic club, and premier restaurant. Mr. Stanford indicated he was not in agreement with Mayor Alioto's emphasis regarding financing because experience has indicated that there was a difference in private financing of arenas which is feasible versus a nonprofit corporation selling revenue bonds. He indicated that the Weston Funding Corporation of New York would make \$30 million available to the group should it be needed and that the George Hyman Construction Company has agreed that although the Maryland arena was constructed for \$25 million, the total cost of the San Francisco arena would be \$30 million because of today's higher labor and inflation costs and the City's stringent codes. His conservative estimate of construction time would be 24 months, although with optimum conditions it could be done in fifteen months.

Chairman Kaplan inquired what was included in the arena cost of \$30 million and Mr. Stanford replied that this included all costs necessary to get the doors opened, of which \$25 million was for construction costs. Chairman Kaplan asked what Mr. Stanford proposed to do about having a hockey team, and Mr. Stanford replied that if the arena were built it had been announced that a hockey team would be in, according to Mr. Swig's statement.

Mr. Swig came forward and indicated that his proposal combined six elements in addition to the standard elements of most of the buildings around the country and these were: (1) the arena would be an all-purpose structure with accent on hockey use concept in terms of operation, and construction could start in the fall since plans and construction capital were available immediately; (2) management is experienced in the sports business, entertainment, and real estate areas and committed to quality taste; (3) automatic tenancy of a major hockey league franchise since hockey draws a 91 percent occupancy; (4) continuous liaison with other national hockey league owners and exposure to other events;

NEW BUSINESS (continued)

(5) the know-how and contacts to insure financing of construction; and (6) immediate access to business concessionaires. He assured the Members that the building would be constructed on time, financed, and satisfactory for all cultural, sports, and entertainment activities. He indicated that full-time diligence in construction and operating the building would be assured and that any delay in selection of the developer beyond this weekend would mean the loss of the Seals Hockey Team which would move to Seattle. If this occurred it would mean the loss of 44 booking dates in the arena and hence revenues. He indicated his belief that the sports arena would not be built if the Seals should leave. He alleged that any arena costing more than \$20 million would not be financially feasible and that a national hockey team was essential to make the development feasible. He stressed that if the decision were not made today the team would leave town and his group would then withdraw since the arena could not be supported without a national hockey team. He suggested that if the arena was not built the balance of the Yerba Buena Center Central Blocks would also be lost. He indicated he had been working on this proposal since last November and his was the only group which could build a quality sports arena in San Francisco. He doubted an arena costing more than \$20 million could be financed. He stressed that to delay a decision would mean the loss of the hockey team.

Mr. Lyman Jee came forward and indicated that on October 22, 1970 the Agency had designated Arcon/Pacific, Ltd. as the developer of the public and private facilities of the Central Blocks of Yerba Buena Center, including the sports arena, apparel mart, exhibit hall, convention center, office building, hotel, and commercial shops along the concourse. This proposal was based on a financial program of selling revenue bonds and the use of a portion of the hotel tax. The Agency, City, and bond attorneys were concerned that under a new State law there was a possibility that such bonds could not be sold unless construction had been competitively bid; therefore, the City Administrative Officer and Agency believe, and Arcon/Pacific, Ltd. agreed, that the public facilities should be built separately by the City. The three-year delay by the Duskin lawsuit followed. Mr. Jee indicated that the settlement agreement in the Duskin suit stipulated a financial limit which necessitated elimination of the sports arena. Mr. Jee believed that the sports arena, apparel mart, and Market Street office building could be a catalyst to proceeding with the public facilities and proposed that he be allowed to proceed with plans for a privately owned sports arena. He indicated on renderings the attractive exterior and interior of the proposed arena and stressed that it would be completed with private financing and taxed as any other privately owned property in San Francisco. He believed that financial returns of \$1 million per year up to a possible \$2 million would be produced. The building would cost \$32 million, including construction costs of \$26.6 million, \$1.5 million for land, and 1 percent for art requirements. The arena would be designed by T. Y. Lin International as an oval ellipse and would contain over 19,000 seats, and around the perimeter on top of the loges would be a preferred seating section. It would have space for the press and for athletic clubs. He indicated that professional expertise would be hired as needed. Mr. Jee pointed further details on the architectural rendering, noting the arena was similar to the one in Maryland in the interior but like that of the Oakland Coliseum on the exterior.

Mr. Shelly Saltsman came forward and indicated that he was a consultant to the Jee team and a sports promotor that scheduled these events. He indicated that the key to a successful endeavor of an arena is the ability to put people in

NEW BUSINESS (continued)

the seats and it was his opinion that San Francisco could be the greatest sports center in the nation, but noted the need for an immediate decision in order to secure a major league hockey team.

Mr. Gee indicated his awareness of the serious traffic and parking problems peculiar only to San Francisco, as noted in the Yerba Buena Center Environmental Impact Study and other, and other requirements of the Agency such as an affirmative action plan. Mr. Gee stated that he had provided the Agency with a \$500,000 letter of credit to indicate his serious intent to proceed with the project. The Law Company of Kansas City will provide another \$100,000 letter of credit to insure final design and completion of the project which will be a credit to San Francisco.

Chairman Kaplan opened the matter for questions. He asked the developers to comment on Mr. Swig's statement to the effect that his hockey team would not play in any arena other than his own. Mr. Saltsman stressed the multipurpose nature of the arena but noted the desirability of having a major league hockey team, rather than a minor league one. Mr. Jensen asked what the chances were of getting a basketball team and Mr. Saltsman replied that one was needed and ABA teams were available but they were in Oakland. Mr. Gee indicated that he could proceed with Swig's hockey team but that this represented only a small portion of the necessary other events.

Mr. Stanford indicated that the City deserved a first-class major league hockey team but his proposal was not dependent on retention of the team. Mr. Stanford noted that the Oakland arena cost in excess of \$22 million and has operated soundly with a two-thirds total performance and therefore refuted Mr. Swig's statement that an arena costing in excess of \$20 million was impractical. Mr. Swig rebutted this indicating that the Atlanta arena which only cost \$17 million was having financial difficulties. He also noted that he had a statement from Mr. William W. Wirtz, President of the Chicago Black Hawks Hockey Team and Chairman of the National Hockey League Board of Governors, to the effect that an arena which costs over \$20 million would not be responsibly financed or survive in today's economics. He emphasized that without a major league hockey team there was no chance of survival.

Mr. Solvin indicated that the Members, in visiting arenas in three other cities, had had an opportunity to see Mr. Swig's arena prototypes. He expressed concern that these arenas were not of the quality desired by the Members for San Francisco. In response to the Members' questions, Mr. Swig noted that he had not seen these arenas but that his proposal would not be exactly like those building. In response to further questions he indicated that he proposed formation of a nonprofit corporation and that revenue bonds would be the source of financing the building which would not cost over \$18 million. The bonds would be sold to local banks and insurance companies in the community. Mr. Solvin asked what the advantage was for them to buy the bonds, and Mr. Swig answered that they served a civic purpose and were tax free. Discussion then followed on the revenue from the sale or rental of box seats.

Mr. Jensen indicated his concern about being pressured into making a decision which might later be regretted as had occurred when the City was pressured into building the Candlestick stadium in order to secure the Giants for San Francisco. He stressed that it was a good thing the Members had seen the prototype arenas

NEW BUSINESS (continued)

to have a basis for evaluating what was proposed to be built. He indicated his preference was not for the Robert McNulty building geared primarily for hockey which Mr. Swig was promoting, but rather for the arena in Maryland because of its attractive interior and multipurpose use. Mr. Swig indicated that local city restrictions had affected the design of the McNulty arenas but that a better design would be worked out for San Francisco. He stressed his belief that a building costing over \$20 million was not economically feasible but promised that it would be esthetically pleasing. Mr. Jensen indicated that the Members had questioned McNulty regarding financing arrangements wherein no taxes were paid to the city on the building and there was little or no income turned over to the city. Mr. Swig indicated that a possessory interest tax was paid and after 25 years the building would revert to the city. Mr. Solvin asked what if Mr. Swig were unable to sell the bonds and what happens if the financing falls through. Mr. Swig indicated that this was a possibility and the arena could not be built, however, he noted that this would be known by December 1975 when it was anticipated that the bonds would be sold. Mr. Silva inquired if his arena would pay property real estate taxes to the city and Mr. Swig replied negatively. Mr. Solvin asked the same question of Mr. Jee who replied that it would pay taxes to the city. He noted that his financing was based on a deed of trust loan which had five co-signers for guaranty of the loan and it was anticipated that a pension fund would be the source of funds. Mr. Solvin asked Mr. Jee if he had contacted these people as yet, and Mr. Jee replied negatively noting that he was working on this aspect and would know within 90 days if it was successful; if not, he would go to the sale of revenue bonds. Mr. Jensen asked if Mr. Jee was hopeful of getting such a loan and Mr. Jee indicated that he was confident he would be successful.

Mr. Swig indicated he was buying the hockey team on a gamble on the basis of being awarded the option to develop the arena but a decision on the purchase of the hockey team had to be made within a week or ten days.

Mr. Silva inquired why it had been contended Oakland was losing money and Mr. Swig indicated that the arena was not suited for hockey and had a seating capacity of 12,000 and even with capacity seating operated at a loss. Mr. Silva inquired if this meant that hockey was a losing game for arena booking and Mr. Swig indicated that the proposed arena would be suitable for hockey and could accommodate sufficient seating to make it profitable. Mr. Silva asked if the arena could be successfully operated even if the team were removed and Mr. Swig answered negatively noting that 44 booking days would be lost. Mr. Silva inquired if the arena were geared to other uses or only to hockey, and Mr. Swig indicated that it would be suitable for other events, because if the arena were designed for hockey the sight lines would have to be good thereby automatically making it good for other uses as well. Chairman Kaplan asked Mr. Swig why he refused to have the Seals play in an arena built and owned by someone else and Mr. Swig replied that it was necessary to have other income to successfully operate the hockey team.

In response to the Members' questions Mr. Stanford indicated his financing of mortgage of \$30 million would be through the Weston Funding Corporation of New York City. He indicated that \$38 million would back up his financing and reiterated that the total cost of his proposed arena would be \$30 million. Mr. Silva inquired if the money would then be raised for a down payment and a deed of trust obtained for the balance, and Mr. Stanford concurred adding that the Weston Funding Corporation had access to pension funds and individual accounts and that from 90 to 120 days were needed to complete financing

NEW BUSINESS (continued)

arrangements. He indicated he could not proceed to secure financing without assurance that his group would be the developer.

Mr. Solvin indicated concern that the developers' financing plans had no substantial guarantees, only options, and Mr. Evans noted that there was no way to guarantee financing at this preliminary phase. Mr. Evans indicated that until one of the developers had assurance of development rights they could not approach a lending institution for guaranteed financing. Mr. Jensen asked why all three of the developers did not form a joint venture for added financial strength and indicated that from his knowledge of pension funds it was uncertain as a funding source since the funds were hit hard by the unemployment situation and needed the money for their own purposes. Mr. Silva asked Mr. Stanford if he would allow the staff to work with him throughout the designing period and Mr. Stanford answered affirmatively.

Mr. Gee indicated that his record of six years' work with the Agency on other matters would stand and Mr. Swig indicated he would also work with the Agency. Mr. Silva commented that Mr. Swig's proposal needed to be changed in design to be acceptable to the Agency and Mr. Swig replied that what may appeal to the members' eyes might be impractical and that his arena was designed by professionals in the hockey arena business, specifically, Mr. Robert McNulty, and he could accommodate changes only up to a point. Chairman Kaplan inquired if Mr. Swig was committed to associate with Mr. McNulty and Mr. Swig replied affirmatively. Mr. Silva indicated the exterior and interior design of the Maryland arena impressed the Members esthetically which appeared to be successful. Mr. Swig said he would put up the most esthetic building that he could within the \$20 million budget. Mr. Solvin indicated that Mr. Lance Burris, Project Director for the Yerba Buena Center Public Facilities, had prepared comprehensive questions and he asked that answers to these be prepared for the Members' consideration before the Members voted. Mr. Evans indicated that this could be done.

MOTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that the questions be answered by the developers in writing prior to the Members' vote on the designation of a developer for the sports arena for the Yerba Buena Center Redevelopment Project.

The Chairman indicated that the Members would not all be available to meet for three weeks. Mr. Swig protested that time was of the essence and the decision on the hockey team had to be made within two weeks. The Members indicated that they understood the time element but due to the importance of the decision they did not wish to rush into a decision without first thoroughly reviewing the proposals. Mr. Swig stated that the delay was intolerable and his proposal was withdrawn.

Mr. Victor Honig, representing the Citizens Committee on Yerba Buena Center, came forward and asked that when a developer is chosen by the Members that the needs of the community be considered, including the following conditions: (1) the affirmative action hiring plan approved by the San Francisco Coalition be instituted to insure that a majority of construction jobs go to the Third World residents of the city; (2) that the Agency proceed immediately with construction of 400-500 TODCO low-income housing regardless of the development of the remainder of Yerba Buena Center; and (3) that all the people of San Francisco participate in future decisions of the Yerba Buena Center Project. He asked that the Agency hold public hearings on these conditions.

JOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:35 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

AUG 2 1975

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MINUTES OF A SPECIAL MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
24TH DAY OF JULY 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a special meeting at 939 Ellis Street in the City of San Francisco, California at 2:00 o'clock p.m. on the 24th day of July, 1975, the place, hour, and date so established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Joe Mosley
James A. Silva

and the following was absent:

Stanley E. Jensen (via telephone from Honolulu, Hawaii)

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Honorable Joseph L. Alioto, Mayor of San Francisco, and John Tolar, Office of the Mayor; Lyman Jee, Ralph Torello, Henry Poy, and T. Y. Linn, representing Arcon/Pacific, Ltd.; Fred Stanford, Albert C. Martin, and Charles M. LaTour, representing the Yerba Buena Sports Center Group; Mel Swig and Steven Swig, representing the Mel Swig Group; James Cullen, attorney; Clarence Campbell, National Hockey League; and interested citizens.

Representing the press were Larry Liebert, San Francisco Chronicle; Don Canter, San Francisco Examiner; Marc Elliot, San Francisco Progress; Mel Wax, TV Channel 9 Newsroom; and TV Channel 7 News.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Yesterday the first draft of the Community Development Application for FY 1976 was received from the Office of Community Development. Staff is analyzing the proposals for the Agency's program.
- (b) Kaye Swindoll, who has been in charge of administrative services, is leaving the Agency after eight years to retire in Nevada. Mr. Evans indicated his reluctance to see her leave but wished her well.

NEW BUSINESS

- (a) Resolution No. 160-75 award of Site Improvement Contract No. 10, Hunters Point Redevelopment Project Area NDP A-5 to DeNarde Construction Company.

This represents award of Site Improvement Contract No. 10 in Hunters Point to the lowest of two bidders, DeNarde Construction Company, for \$241,073

NEW BUSINESS (continued)

for construction of overland flow channels and drainage structures for Moderate-Priced Private Housing Sites 1, 2, 3, 4b, and 5, plus landscaping and irrigation systems and related park improvements.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 161-75 award of Site Improvement Contract No. 17, Western Addition Area A-2, to Tamal Construction Company.

This represents award of Site Improvement Contract No. 17 to the lowest of two bidders, Tamal Construction Company, for \$267,745 for construction of a mall on Buchanan between Sutter and Post Streets in the Nihonmachi area.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 162-75 authorizing the issuance of an interdepartmental work order to the San Francisco Department of Public Works related to Site Improvement Contract No. 17, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a work order with the Department of Public Works for \$8,000 for material testing, inspection and engineering support services.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 159-75 travel authorization.

This concerns authorization of the travel of Mr. Wilbur W. Hamilton, Deputy Executive Director, at attend the joint Bay Area/Central California National Association of Housing and Redevelopment Officials (NAHRO) Chapter meeting on July 28 and 29, 1975 in Santa Cruz, California.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (e) Consideration of the Yerba Buena Center Sports Arena Proposal.

Honorable Joseph L. Alioto, Mayor of the City and County of San Francisco, thanked the Members for holding a special meeting at his request in order to consider the selection of a developer for the sports arena in Yerba Buena Center. Mayor Alioto indicated that there were many myths in the city which mistakenly claimed that the Mayor controlled all Commissions and Agencies, but this is not the case; however, it made better news copy than the truth. He indicated that cities needed certain amenities that suburbs and other communities did not have, such as libraries, a museum, performing arts center, and sports facilities.

Chairman Kaplan indicated that arrangements had been made permitting Mr. Jensen who was in Honolulu, Hawaii to participate in the meeting by telephone. Mayor Alioto spoke with Mr. Jensen and indicated that since the last Agency meeting there had been substantial changes in the arena proposals that necessitated reconsideration, and Mr. Jensen replied that although he was legally not entitled to vote because of his absence, he wished to hear the proposals and make his opinion known.

NEW BUSINESS (continued)

The Mayor commended the Agency for its fine record of achievement in completing outstanding contributions to the city including the Golden Gateway and Embarcadero Center, and for its insistence on architecturally superior design throughout its redevelopment areas which are comparable to none in any other city. Mayor Alioto stressed that architectural amenities were important and noted the money and efforts that had gone into the planning and design of the Yerba Buena Center, particularly expressed by architect Kenzo Tange of Japan who had designed the original sports arena. The construction, however, of this great design had been killed in the Federal Courts through the litigation which opposed the project. He emphasized the deplorable fact that for a \$36 court filing fee a group could deprive the city of an excellent design. Mayor Alioto indicated that the Members were acting responsibly in their refusal to settle for a warehouse-type arena and indicated that following the last Agency meeting a series of meetings had been held with the three potential developers in an attempt to maximize the best aspects of all proposals. He noted that he had personally urged all the developers to work together in a joint-venture proposal and if not that then at least two of them should joint venture. Mayor Alioto reported that he was pleased to say that two had in fact done this and he believed that the best chance for construction of a sports arena lay in the combined proposal of Melvin Swig and Lyman Jee. It appeared that they had worked out a feasible financing arrangement which they would present to the Members. Mayor Alioto noted that all three developers had submitted proposals in good faith and that the third developer of the third developer of the J. J. Graham group was encouraged to again express their interest since the competition was open to them.

The Mayor cited as his reasons for recommending the Swig-Jee team: (1) it has a stronger financial base than the J. J. Graham group, which given more time might be able to strengthen its financing program; (2) Mr. William Wirtz, Chairman of the Franchise Committee of the Hockey League, had assured the Mayor that if the Swig-Jee group was designated as developers of the arena today the negotiations with Mel Swig for the purchase of the Golden Seals would be completed and they would remain in San Francisco; and (3) Lyman Jee has been working for a long time on this project and his design of the arena would relate to the design of the office building, apparel mart, hotel, and commercial shops along the concourse of which he is the designated developer. This development would still be a striking addition to that part of the city. The Mayor indicated his understanding of the obvious concern which the Members had expressed at the previous Agency meeting regarding the lack of architectural amenities of the Swig proposal and the apparently hockey-only designed arena but noted that substantial changes had been made in the proposal and these warranted further examination. He indicated that in urging the developers to reevaluate their proposals he had requested that the arena be designed for different sports uses, as well as for other entertainment purposes. The financing of the group was predicated on the basis of nonprofit tax exempt bonds, involving no City money or credit and with the City having neither legal or moral obligation. The Mayor stressed to the Members that there was a substantially different proposal before them but nonetheless the proposal was consistent with the original arena siting and environmental impact report; therefore, the Members should not feel they were acting under pressure on a new concept. After considering all factors the Mayor indicated that it was his recommendation that the Swig-Jee team be designated as developers of the arena subject to certain conditions and that he would use his influence, if any, to secure the necessary approvals of the Board of Supervisors and various City Departments.

NEW BUSINESS (continued)

Both Messrs. Swig and Jee came forward and Mr. Swig thanked the Members for arranging the special meeting. Mr. Silva commented on Mr. Swig's pleasant approach and Mr. Swig apologized for his comments about the Members. He indicated that the Members had before them a letter which is attached and made a part of these minutes and which embodied the joint proposal he and Lyman Jee had submitted. For the benefit of those present he read the team's proposal. Mr. Swig indicated that Arcon/Pacific with Zapata Constructors, Inc. of San Francisco would build the sports arena and entertainment center to meet the requirements of Mr. Swig, the City and the Agency. Architects Associated of San Francisco and Engineers T. Y. Lin International and Schmidt & Associates will joint venture on the development, and Mr. Robert McNulty will act as interior arena consultant. Mr. Swig will operate the arena and manage the Seals hockey team and will also proceed to secure the bond sale financing. A nonprofit corporation will be formed to sell tax-free revenue bonds and if this does not succeed then efforts will be directed toward securing private financing.

Both Messrs. Swig and Jee agreed to continue support of the present proposed affirmative action program and stressed that the sports arena would contribute to the economic benefit of San Francisco both in providing jobs and in attracting conventions.

Chairman Kaplan requested a specific explanation of Mr. McNulty's role regarding interior traffic flow and seating arrangements of the sports arena and Mr. Silva expressed concern that the arena in Minneapolis designed by McNulty had only one major entrance through which everyone funnelled, while the Lanova, Maryland arena near Washington, D.C. had four ticket sales entrances that handled the flow of over 18,000 people very adequately. Mr. Swig indicated that his role would be predominately to advise on sight lines and related items but he and Mr. Jee would tour the major arenas of the country in order to evaluate and select the best feature of these facilities for incorporation in the San Francisco arena. Mr. Silva inquired of Mr. Jee that since he had originally proposed using the Maryland arena as his prototype could the Members now feel that the \$22 million would provide the arena that Mr. Jee advocated, and Mr. Jee responded affirmatively that they were endeavoring to provide an equally acceptable design within this price maximum but it would take three weeks of review to have the total cost figures. Mr. Swig believed it was possible within the budget but indicated that this was not a fixed dollar ceiling. Mr. Silva asked for clarification of the possibility the price ceiling would not move and Mr. Jee replied that this would have to be worked out. Mr. Swig indicated that it had to be kept within an economically feasible range. Mr. Silva stressed that the Members would not accept compromises and that the Agency would not want to delete desirable design features.

Mr. Mosley expressed concern about the box seats around the top of the arena which he believed did not represent as good a design as those in the Maryland arena, and Mr. Jee indicated that the best of the arena designs would be used and explained how the box seating would be built. Mr. Swig believed there would be good sight and the fans would be brought into the action. Mr. Swig indicated that this was being studied and the box seats could possibly be brought down 113 feet from the center of the arena and extended out over the lower seats, which would provide excellent seating. Mr. Mosley was concerned that there

W BUSINESS (continued)

was only one way out and this was through a small hall, and Mr. Gee replied that he was working on a layout which involved four elevators. Mr. Solvin asked the amount which Mr. Swig planned to rent the boxes and the reply was \$20,000 a year, however, the general admission is up to the individual promotor and he would have no control over what was to be charged. Mr. Solvin asked Mr. Swig if he had any objections to submitting the final design to the Agency for approval. Both Messrs. Gee and Swig agreed to do so. Mr. Silva asked that other sports consultants be used as well as Mr. McNulty to insure that the arena would be suitable for other uses and not just for hockey. Mr. Swig replied that there had been some misunderstanding and that the arena was intended for other sports events. He reaffirmed that other consultants would be called upon for such advice as acoustics, sight lines, and seating.

Mr. Fred Stanford, representing the Yerba Buena Sports Center Group, came forward and indicated that if he were to participate in the construction of the arena San Francisco would be getting the best possible arena. He noted that the Members had before them today a new proposal which was substantially different from that presented by either of the two groups when they were acting independently. He suggested that the arena he proposed was the one needed and that there was no need to settle for less. It had been his understanding that the Members were to take three weeks to consider the three proposals offered and that he had planned to present his financing documentat or two weeks ago now but had instead had to work on another financing approach through a bank of San Jose. He noted that a set of questions prepared by the Agency had reached his office in San Jose and were therefore not answered. He noted that Mayor L. M. Mosley had made a complete and full disclosure of his close personal relationship with Mr. Swig's family and that his firm considered this to be a conflict of interest which prevented the Mayor from objectively perusing the three proposals. Mr. Stanford stressed that his group had the arena the Agency wanted and it has a proven design that was not hastily contrived to meet a deadline and could be built faster and less expensively. Mr. Stanford indicated to Mr. Mosley that the matter concerning the boxes was recognized by the contractor and the disadvantages and benefits were understood. His architecture team of Albert C. Martin and Associates would adapt the design to eliminate the problem.

Mr. Albert C. Martin, architect for the Yerba Buena Sports Center Group, came forward and indicated his pleasure at being present. He pointed out that this group had four basic factors to make it the most desirable proposal, including (1) design excellence, (2) construction capability, (3) operation expertise, and (4) financing strength. Through his experience with the arena in Landover, Maryland he believed the contractor, the George Hyman Construction Company, was unusually qualified and that his design firm also had extensive experience since it had designed more than half the square footage of downtown Los Angeles and the Century Plaza, and that the best structural engineers from New York would be involved since they had the experience of the Madison Square Garden and other arenas to draw upon, in addition to their familiarity with the problems of construction in earthquake areas. He asked that each proposed developer carry his design further forward so costs and design can be more definitively examined.

Mr. Stanford indicated that another area of consideration was the management of the arena with regard to the concessionaires' service which would be

BUSINESS (continued)

provided by Mr. Charles M. LaTour of ARA Food Service. Mr. LaTour came forward and indicated that he had been working on plans for the arena and was prepared to bring his experience with other arenas around the country to this development.

Mr. Stanford indicated his team was composed of experts and professionals. He would prefer to have more time to provide a more definitive financing plan which is proposed to be from private sources, and which the group believes is more viable than a nonprofit corporation. He gave the Members documents pertaining to the financing, indicating that \$30 million was available to enable the group to secure the interim and take-out financing, to complete the arena. He suggested that this information had been withheld from the Members. He noted that Mr. Clarence Campbell of the National Hockey League had advised the group a major hockey team would not leave the city if the arena were built by one other than Mr. Swig, because there was so much invested in San Francisco and the team would continue here if an arena could be completed within fifteen months. He stressed that the Seals had received offers from several interested parties in Seattle but no one had put up any money for purchase of the team. Mr. Stanford indicated that he had also asked Mr. Campbell if in the event Mr. Swig did not purchase the team would any legal problems be incurred if someone else purchased the franchise placing them in another arena, and Mr. Campbell responded that there was no problem as far as the National Hockey League was concerned. Mr. Stanford claimed that the remarks made by the combined joint team of Messrs. Swig and Jee were vague in this regard. He agreed with the Mayor that San Francisco did need an arena but that it should be carefully designed by experienced people and not be modified to suit some architectural annuities.

Mayor Alioto indicated that when he had met with the three developers he had made clear that an adequate financing plan was important and when he had asked if Mr. Stanford's group had the money, Mr. Stanford gave the Mayor the name of a gentleman to call in Southern California and this person had just been reached. The gentleman indicated that he was a broker and had secured a firm called the Tri-Delta in Garden Grove to put up the money. Mayor Alioto indicated that he had tried to contact the firm and learned that there was no Tri-Delta firm in that city and only an address had been typed on a letterhead without a telephone number from which to further pursue contact of the firm. The Mayor noted that putting up collateral required a 10 percent interest rate and then it was necessary to go to a bank and pay interest on the money one borrowed at from 8- to 10 percent which is 20 percent interest rate. Some of the difference could be made up from certificates of deposit but this would be infeasible to build at \$32 million at anything approaching 20 percent interest rate. Therefore, he reasoned that the group's financing plan was less viable than that of the Swig-Jee group.

Mr. Stanford acknowledged that what the Mayor had said was generally correct, however, this cost would be offset by income from certificates of deposit as the gradual draw down of construction financing occurred. He stressed that this was a method of securing financing very quickly because financing was the issue the Mayor had stressed and indicated that given more time an even better financing plan could be developed.

NEW BUSINESS (continued)

Chairman Kaplan expressed concern that there was a difference between 7-3/4 and 13 percent interest on such a loan and he could not see how this method of financing could work. Mr. Stanford stated that the construction loan rate was 12 percent normally. Chairman Kaplan indicated that Mr. Swig's proposal involved a nonprofit corporation which would have a 7-3/4 percent maximum and that the 5 percent difference could be used to provide a number of amenities.

Mr. James Cullen, General Counsel for the National Hockey League, came forward and indicated that he was a stockholder and officer of the corporation and that Mr. William W. Wirtz, Chairman of the National Hockey League Board of Governors, had sent him here to indicate that the Golden Seals team wanted to stay in San Francisco. He indicated that negotiations with Mr. Swig for purchase of the franchise of the Seals have been under way for a number of months and that he was prepared to close the deal when Mr. Swig was ready. Mr. Cullen indicated that although there has been expression of interest from Seattle no one has put up cash, and he stated that morally a promise to stay would be honored. He noted that the group represented by Mr. Stanford did not offer to purchase the franchise.

Mr. Silva inquired what the exact deadline was when a decision had to be made on the purchase and Mr. Cullen replied that the optimum limit had already passed as far as the ideal calendaring of games and ticket sales and it would be highly desirable to have a decision as soon as possible. Mr. Silva indicated he was correct in assuming that it was a movable deadline and Mr. Cullen agreed, but stressed the desirability of having Mr. Swig's documentation in prior to a meeting of the financial committee on August 12, 1975. Mr. Silva noted that use of the arena by the Seals could be two to three years from now since the arena would first have to be built, and Mr. Cullen indicated his understanding of this but noted that the team would be moved on an interim basis, if necessary.

Mr. Evans indicated he had no questions but would like to make a few comments. He indicated that the Agency views the arena first as an entertainment facility which happens to have a home sports activity and represents a major element in the Yerba Buena Center project. He indicated that hockey was important because it would draw about 500,000 people a year. Mr. Evans indicated that in the economic analysis which was done there was a possibility that the project could be privately financed once Yerba Buena Center was under way but this was dependent upon someone coming forward and taking a very substantial risk, and where someone is in a position to use the arena 44 days a year in a hockey franchise there was a better chance for success. A public nonprofit corporation with a lower interest rate also had the best opportunity for economic success particularly when taxes were calculated on the basis of its profits rather than on fixed property taxes. The number one criteria must be a viable financing plan in context with a good design. Mr. Evans indicated that Mr. Jee had an excellent design with its diagonal bracing and it meets seismic requirements. He believed that the competence of the Swig-Jee team provided the best chance of constructing a quality facility to meet the goals of the Agency but added that the Yerba Buena Sports Center Group also had architectural quality. Mr. Evans indicated that another strength of the Swig-Jee team was the familiarity with San Francisco and especially Mr. Jee's experience with Yerba Buena Center and with the affirmative action program. By taxing the arena in such a way that the more income made, the more the City will receive, it should be noted, however, that if the income is not up to projections, taxes would be reduced.

NEW BUSINESS (continued)

Mr. Evans indicated that the Jee proposal included a need for provision of 2,600 parking spaces but the Agency could not guarantee these either legally or in the physical capacity but would do what it could to facilitate the construction of the spaces either publicly or privately. Mr. Evans noted that the original Swig proposal requested that surface parking lots near the arena be leased to the group as a source of income and no commitment was made except that it be considered separately. Mr. Evans indicated that regardless of whose proposal was selected, the Agency should be prepared to pay for temporary and/or permanent pedestrian connections to the adjacent area in the event the exhibit hall and park facilities were delayed beyond the opening of the arena. This amount would not be known until the arena design is completed. Mr. Evans recommended that the joint venture be selected on several conditions which are normal in the designation of a developer. These include: (1) submittal of a schematic and preliminary design to the Agency for approval within 60 days; (2) the arena must be designed as a multi-use facility and appropriate consultants be utilized during the design phase; (3) the arena design must be compatible with the proposed exhibit hall and public parking facilities designed for the City and County of San Francisco by McCue Boone Tomsick; (4) the design, financing and construction must proceed expeditiously and continuously; and (5) within six months of the time of developer designation the plans must be completed and approved by the Agency, a grading or building permit must be issued by the City and County of San Francisco, and a firm construction bid be obtained, which is secured by a 100 percent performance and payment bond.

Mayor Alioto asked to be excused and Chairman Kaplan thanked him for attending the meeting. Chairman Kaplan indicated that he had one question addressed to Mr. Swig. He inquired what the status was of the nonprofit corporation. Mr. Swig replied that it was ready to go ahead quickly.

Mr. Solvin indicated that he would like to hear Mr. Jensen's comments by telephone, and Mr. Jensen responded that he was in accord if the Director and other Members found the Swig-Jee group acceptable. Mr. Solvin indicated his belief that the arena was a catalyst to start development of the Yerba Buena Center Central Blocks and based upon the five conditions set forth by Mr. Evans and with the further condition that if these were not met within the time specified to the satisfaction of the Agency that the designation become null and void and of no further force and effect unless said conditions were modified or times extended by formal resolution of the Agency.

Resolution No. 164-75 designation of the developer of the Yerba Buena Center Sports Arena.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, that this resolution be adopted, and on roll call the following voted "Aye":

Mr. Kaplan
Mr. Solvin
Mr. Mosley
Mr. Silva

Mr. Stanford came forward and expressed his thanks for the Members' consideration of his proposal. He asked, however, that his group be given the same considera-

NEW BUSINESS (continued)

tion to correct deficiencies in its proposal as the Members had provided to the Swig-Jee group before taking a vote on the issue. Chairman Kaplan indicated that there was a motion on the floor.

and the following voted "Nay":

None

and the following abstained:

None

The Chairman thereupon declared the motion carried.

Messrs. Silva and Mosley inquired about the status of the rehabilitation program in the previous community development program application and staff indicated that they would report to the Members on this matter.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Solivin, and unanimously carried that the meeting be adjourned. The meeting adjourned at 3:55 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

ARCON PACIFIC LTD.
300 MONTGOMERY STREET
SAN FRANCISCO CA 94104
415-391-5757 12TH FLOOR

July 24, 1975

San Francisco Redevelopment Agency
939 Ellis Street
San Francisco, California 94109

Attn: Mr. Arthur Evans

Gentlemen:

For your consideration, please be advised that Lyman Jee and Mel Swig jointly propose to design, construct and operate the proposed Yerba Buena Center Sports Arena & Entertainment Center. Our intent and purpose to complete the project will encompass the following 4 basic points:

1. Arcon/Pacific with Zapata Constructors Inc. of San Francisco will agree to build the Sports Arena & Entertainment Center to the satisfaction of Mr. Swig, the City of San Francisco and the S.F.R.A. The Architect and Engineer shall be a joint venture; Architects Associated of San Francisco, T.Y. Lin International, Structural Engineers and Schmandt & Associates. Mr. Bob McNulty will also be retained to act as interior arena consultant. The agreed-upon price shall be arrived upon as further redesign drawings are arrived at. Mr. Swig with his Seals Hockey Team will operate and manage the Arena as well as the Team.
2. Mr. Swig will proceed with his present bond sale financial proposal. A non-profit corporation will be formed to sell tax-free revenue bonds.
3. If, for any reason, the non-profit approach to financing is unable to be used, we will make our best efforts to do the financing privately.
4. That we will continue to support the Affirmative Action Program, including an aggressive hiring policy.

We want to advise you gentlemen, that we have a strong feeling that this building will contribute much to the economic benefit of San Francisco. Not only will many jobs be given for the construction of the building and its eventual operations, but this beautiful building will attract exhibitions and conventions that have been unable or unwilling to use the city's present facilities.

San Francisco Redevelopment Agency
July 24, 1975

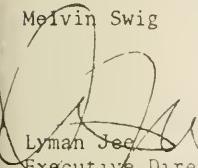
Page 2

Please be advised that if there are any questions that you may want answered, we will both be willing to answer them.

We trust that our proposal will provide all the parts that will make the Sports Arena and Entertainment Center in Yerba Buena a reality.

Very truly yours,

Melvin Swig


Lyman Jee
Executive Director, Arcon/Pacific Ltd.

MS, LJ:mcp

AVATRI-DELTA

11851 Gilbert Street
Garden Grove, California 92641
July 22, 1975

Re: Yerba Buena Sports Center Group
4520 Stevens Creek Avenue
San Jose, California 95129

This document establishes the availability of collateral for a Thirty Million Dollar (\$30,000,000.00) loan to secure interim and takeout lenders during the construction period and until one hundred (100%) percent completed in addition to sixty (60%) to eighty (80%) percent leases being signed by major national credit tenants in order to amortize the permanent loan.

We suggest a four (4) year interim period to secure the above mentioned leases. Our collateral for the loan is available at ten (10%) percent interest per annum, consisting of prime securities of the New York, American, and National OTC exchanges.

Approval of all bids, plans, specifications, credit reports, tax reports for the last three years, and takeout and interim commitments in force, etc., should bring this fine project to a successful completion.

13-57
AVATRI-DELTA CORPORATION

19-JULY-1975
FBI - LOS ANGELES

19-JULY-1975
Jespa Jimenez - Vice President

75

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5TH DAY OF AUGUST 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 5th day of August 1975, the place, hour, and date so established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Michael W. Eller and Robert Berner, Foundation for San Francisco's Architectural Heritage.

Representing the press was Jan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Special Meeting of July 17, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-0, Western Addition Approved Redevelopment Project Area A-2.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-0, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Members received a document prepared by Mr. William M. Brinton and his architect, Marquis Associates, and consultants, Pacific Planning Group, entitled "Yerba Buena Center Alternatives" in which two alternate designs for the project were outlined. Both of the proposals are essentially proposals for development of housing.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Evans indicated that both designs included 2,500 units of market-rate housing with 400 to 500 units set aside for subsidized housing, and both included commercial development. Mr. Evans indicated that it appeared many people including Mr. Brinton did not fully understand the concept of Yerba Buena Center or what was already proposed, and that Brinton's concepts of parking, open spaces, and pedestrian separation were similar to those in the Yerba Buena Center Plan, as well as those already in the Golden Gateway. His proposals for the block between Market and Mission Streets were essentially the same as the present Yerba Buena Center Plan; however, the proposals are unrealistic in regard to economics where the projected average rental is \$673 per month. Mr. Evans indicated this high rental range is not economically feasible and it is questionable that subsidies could be obtained to reduce the rental rates. Mr. Evans indicated that 900 units of market-rate housing are planned for the project which is economically feasible but the plan also includes other priorities which must be considered also, such as jobs, a convention center, and retail commercial shops. Mr. Evans indicated that in his opinion the alternatives to Yerba Buena Center were economically infeasible and unrealistic.

REPORT OF KEY STAFF MEMBERS

- (a) Mr. Evans recalled that after Mr. David Kirchhoff had determined that it was economically infeasible for him to proceed with his plans to preserve fourteen Western Addition A-2 buildings in a Victorian Village development on the waterfront, staff had considered proposals for retention of the buildings. As a result of these considerations it appeared that there was merit in exploring developer interest in rehabilitation of eight buildings at the corner of Fillmore and Sutter Streets. This would involve developing commercial, residential, and office space in the five existing buildings and three Victorian structures which would be moved to vacant lots on the site. Mr. Evans noted that the site had been scheduled for scattered public housing for the elderly by the San Francisco Housing Authority which has now relinquished the sites. Mr. Evans requested Mr. William Waterhouse, Director of Project Development, to present the proposed rehabilitation program to the Members.

Mr. Waterhouse reported that staff investigations indicate that development of the parcel with the eight structures appeared to have economic feasibility. The offering would be made first to community-based developer groups and then, if necessary, to outside developers. The buildings combined have approximately 27,000 square feet and the tentative studies are based on a lotting 12,000 square feet for 3 one- and two-bedroom residential units, 8,000 square feet for approximately ten offices; 12,800 square feet for commercial use; off-street parking for 24 cars; and some rear-yard open space. It is estimated that a developer's costs would be approximately \$1,045,000 excluding moving costs for the three buildings which would be funded by the Agency. This estimate is based on a land cost of \$4 per square foot totaling \$109,000; buildings at 20 percent of land cost or \$22,000; rehabilitation costs of \$778,000; and a contingency factor of 15 percent or \$136,000.

Mr. Waterhouse indicated that the critical factor in the consideration for any developer will be income projections versus development cost and this could be tested only by proceeding to make the offering and have developers do their own analysis. The Agency's study indicates that if a developer obtained a \$700,000 loan at 9-12 percent for 25 years the debt service would

REPORT OF KEY STAFF MEMBERS (continued)

be about \$6,100 per month. Gross income less operating expense and debt service would yield about \$3,000 per month net profit, or a return of 1 percent on an investment of \$345,000. Mr. Waterhouse noted that the approximate costs to the Agency for moving the three buildings would be \$92,000 and include the following: surveys, soils analysis, site preparation, and engineering to prepare the three sites would be \$20,000; building moves would be \$40,000; utility disconnect and reconnection \$15,000; advertising the offering \$3,500; and a 15 percent contingency factor of \$13,500. Mr. Waterhouse indicated that two of the buildings would have to be moved within sixty days to clear the block for development of the Pacific Trade Center, but that no expenditures be made until there was a valid developer proposal. He recommended that at a future meeting the Members authorize expenditure of \$3,500 to advertise the offering by mid-August and receipt of proposals expected to be about October 2. If a valid proposal was received the two buildings on the Pacific Trade Center site would be moved to temporary locations until the vacant lots at Sutter and Fillmore could be prepared for permanent placement. He indicated that it was necessary to solicit bids about September for the temporary move of the two buildings, so if a valid development proposal were received then the temporary move could proceed; if not, then all building moving bids would be rejected.

Mr. Silva inquired how long it would take to prepare the site and to move the buildings permanently, and Mr. Waterhouse replied that the actual move would take only one day but solicitation of moving bids and site preparation would take approximately three and one-half months. Mr. Silva inquired about the necessity of a temporary move, and Mr. Waterhouse indicated that it was necessary to clear the Pacific Trade Center site. Mr. Silva asked if staff could work with the developer to avoid a double move, and Mr. Evans indicated that staff would do so but that it was necessary to be prepared for the cost of the moves in the event a developer submitted a valid proposal. The temporary move was relatively inexpensive but the preparation of the foundations for the buildings and jacking them up were the high cost items. Mr. Silva indicated that temporary moves cost money and urged that a time table be worked out with the developer of the Pacific Trade Center to avoid higher moving costs.

Chairman Kadian asked if the buildings were of better quality than the Goodman Building and Mr. Evans answered affirmatively noting that the quality had been determined by architects and historians familiar with the architecture of landmark buildings. He stressed that until the bids were in it would not be known whether the project was feasible or not, since it was dependent upon an entrepreneur who was willing to spend money.

Mr. Solvin expressed concern about finding an entrepreneur who would be willing to undertake the development and noted that it would cost \$3,500 for the offering. Mr. Evans indicated that the Agency had never attempted to have Victorian buildings restored for commercial use but had previously offered them as residences so it was unknown whether they would be attractive for office space. In response to Mr. Mosley's question, he believed the buildings would be suitable for rehabilitation since they were of good quality and elegant when properly restored.

REPORT OF KEY STAFF MEMBERS (continued)

Discussion followed on the basis for staff estimates of income and restoration costs, and Mr. Waterhouse indicated that comparables from the area were used. Mr. Solvin indicated concern that the debt service allowance was sufficient and requested that information be sent to him before expenditure of any funds was requested. Mr. Evans indicated that all information available would be forwarded to the Members.

NEW BUSINESS

- (a) Resolution No. 166-75 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1100-0, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns disposition of Parcel 1100-0 in the Western Addition A-2 to Marla E. Brenner and Anna Rosenzweig for \$7,628. This building was one of the twelve Victorian landmark buildings recently moved from their previous locations to new sites in the project area.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 163-75 amending Resolution No. 194-73 approving conveyance of certain parcels in the Nihonmachi Area of the Western Addition Approved Redevelopment Project Area A-2 by deleting all references to Parcels 676-E, 686-J(1) and 686-J(3).

This concerns amendment of Resolution No. 194-73 which authorized conveyance of parcels in the Nihonmachi area to expunge all references to Parcels 676-E, 686-J(1) and 686-J(3) because the developers designated as allocatees by the resolution were unable to proceed and the Nihonmachi Corporation now proposes to reallocate the parcels to other developers.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 165-75 approving extension of exclusive negotiating rights for Church Site No. 2, Western Addition Approved Redevelopment Project Area A-2.

This represents extension of exclusive negotiating rights of the First Union Baptist Church for Church Site No. 2 for sixty days from August 12 to October 11, 1975. The church has made satisfactory progress in meeting the conditions for disposition but needs a short time to complete details. Construction is expected to start within three to six months.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 168-75 authorizing reimbursement of moving costs to the Foundation for San Francisco's Architectural Heritage for the temporary moves of two landmark designated buildings in the Western Addition A-2 project area.

NEW BUSINESS (continued)

This represents reimbursement to the Foundation for San Francisco's Architectural Heritage of \$10,000 for a temporary move of two landmark buildings to permit construction of the Freedom West II moderate-priced private housing development and the new California College of Podiatric Medicine building. The Department of Housing and Urban Development (HUD) has agreed to pay \$10,000 of the cost of the temporary move paid by Heritage prior to receiving HUD approval.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (e) Consideration of authorization to solicit bids on Demolition and Site Clearance Contract No. 17, Hunters Point Approved Redevelopment Project Area.

This is to authorize advertising of Demolition and Site Clearance Contract No. 17 in Hunters Point for clearance of twenty unspecified buildings to be demolished as vacated, plus clearance of pavement clearance at Fairfax and Keith Streets. A similar contract was previously approved by the Members which will be completed in October. Mr. Silva inquired about the status of the first contract, and it was indicated that all of the twenty-five buildings in the contract were expected to be demolished.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that bids be solicited on Demolition and Site Clearance Contract No. 17 in Hunters Point Approved Redevelopment Project Area.

- (f) Consideration of annual audit of Golden Gateway tax allocation bonds and annual audit of the Hunters Point South School bonds.

Authorization is requested to have a certified public accountant perform the annual audit of the Golden Gateway Project and Hunters Point South School tax allocation bonds in accordance with requirements for issuance of the bonds. It is recommended that the firm of Touche Ross & Company be selected at a cost not to exceed \$2,500.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that the firm of Touche Ross & Company be selected to perform the annual audit of books for the tax allocation bonds for the Hunters Point Redevelopment Project and the Golden Gateway Project at a cost not to exceed \$1,250 for each.

- (g) Resolution No. 167-75 commending Kaye Swindoll, Administrative Services Officer, for outstanding devotion and service on the occasion of her departure from Agency service.

Mr. Evans indicated that this proposed a formal acknowledgment of the outstanding service of Mrs. Kaye Swindoll who had retired from the Agency after eight and one-half years.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of authorization to solicit bids on Demolition and Site Clearance Contract No. 14, India Basin Industrial Park Redevelopment Project Area.

This is a request for authorization to solicit bids for proposed Demolition and Site Clearance Contract No. 14 in India Basin for clearance of nine parcels of land presently occupied by Nielsen Freight Co., A & B Garment Co., and Dump 71, which are expected to be relocated within the next thirty days.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 14 in India Basin Industrial Park Redevelopment Project Area be advertised.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:15 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

SEP 5 1975

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~~MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
12TH DAY OF AUGUST 1975~~

The Members of the Redevelopment Agency of the City and County of San Francisco met at a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 7:30 o'clock p.m. on the 12th day of August 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Arnold G. Townsend and Teall Henderson, Western Addition Project Area Committee (WAPAC); Joe Rudolph and George Colbert, Fillmore Urban Consultants; and Dian Blomquist, Bay Area Womens Coalition.

Representing the press were Larry Liebert, San Francisco Chronicle; Harry Johansen, San Francisco Examiner; and Margaret Spalding, Daily Commercial News.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Special Meeting of July 24, 1975 and the minutes of the Regular Meeting of August 5, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-B(1), Western Addition Approved Redevelopment Project Area A-2

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-B(1), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) This morning a bid opening was held to sell Agency project loan notes on Western Addition A-2 and Hunters Point projects. Interest rates were 4.4 and 4.5 percent.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) Mr. Evans commented that the Agency operates on borrowed money with outstanding loans in excess of \$100 million. The Department of Housing and Urban Development (HUD) promises funding of projects and the Agency borrows the money to carry out activities which is repaid by HUD in the form of progress grants as the projects are completed. The faster HUD releases the grants and the Agency is able to discharge its loans, the lower the interest costs. A year ago, Mayor Joseph L. Alioto met with the then Secretary of HUD, James T. Lynn, to ascertain if preferential treatment could be afforded San Francisco's redevelopment program by waiving HUD regulations and paying out the retained progress grants sooner. This request was followed by meetings with HUD attended by Mr. Evans and this has now resulted in HUD's granting the waivers which will provide the Agency with \$33 million in progress grants representing a saving of \$1.5 million of interest costs for the next five years. Mr. Evans indicated that Mayor Alioto had argued effectively to bring about this benefit to the Agency's program, since HUD was not obligated to grant the waivers.

NEW BUSINESS

- (a) Resolution No. 173-75 ratifying publication of notice of public hearing; authorizing the Executive Director to enter into an agreement for disposition of land for private redevelopment (Parcel 1127-B(1)); approving disposition price; authorizing execution of a deed for conveyance of said parcel; and making certain findings and determinations in connection therewith, Western Addition Approved Redevelopment Project Area A-2.

This item was the subject of the public hearing just held and concerns a disposition agreement for Parcel 1127-B(1) in Western Addition A-2 to Lonnie, Willie, and Jessie Jacobs for \$1,500. This 687.5 square-foot parcel would provide them a usable rear yard in conformance with adjacent parcels.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 171-75 authorizing the Executive Director to execute an addendum to agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation, and approving subsequent conveyance of Parcel 676-E to member-shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This represents transfer of Parcel 676-E by the Nihonmachi Community Development Corporation to Gilchi and Sandra Sakurai for \$14,175 for construction of a six-unit market-rate apartment building.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 172-75 authorizing and approving placement of advertising for Rehabilitation Offering No. 12, Western Addition Approved Redevelopment Project Area A-2.

This item concerns an expenditure not to exceed \$2,900 for advertisement of Rehabilitation Offering No. 12 in Western Addition A-2. The offering is for

NEW BUSINESS (continued)

the rehabilitation of eight buildings on a parcel at the southeast corner of Fillmore and Sutter Streets for residential and commercial use. Advertisement is to be in seven newspapers and one magazine. Mr. Silva noted that at the previous meeting the amount considered had been \$3,500 and Mr. Evans indicated that that estimate had been reduced as actual costs were obtained. Mr. Solvin inquired how the \$2,900 would be spent and Mr. William Waterhouse, Director of Project Development, replied that advertisements would be placed as follows: once only in the Saturday edition of both the San Francisco Examiner and San Francisco Chronicle for a total cost of \$582; in the San Francisco Examiner for two Sundays at \$1,165; twice in the Sun Reporter for \$67 for a total of \$134; the Nichi Bei Times twice for a total of \$96; San Francisco Progress once at \$129; the Daily Pacific Builder, which goes to all developers, twice for a total of \$240; the Daily Commercial News three times for \$231, and the September edition of the San Francisco Magazine, published by the San Francisco Chamber of Commerce, for \$320, for a grand total of \$2,899. Mr. Waterhouse indicated that the purpose was to get the offering out early enough to determine if there was developer interest in the proposal prior to making a decision on the disposition of the two buildings on the Pacific Trade Center parcel. Mr. Solvin suggested that if there were early bidder interest, the balance of the advertising could be discontinued, and Mr. Waterhouse answered affirmatively. Mr. Jensen expressed concern about the expense of moving the three buildings and Mr. Evans indicated that \$90,000 was the total cost estimated to move three buildings, and since it was so expensive it was proposed that advertising be done immediately to ascertain if the moves were practical. He noted that if there was no response to the solicitation of developer proposals, then the buildings would be demolished.

Mr. Mosley inquired if the merchants in the Fillmore area would have an opportunity to rehabilitate these properties. He stressed the need to make the development on a scale that a small business person could develop. He asked that the community review the proposal and see what programs they could utilize in rehabilitation of the buildings. Mr. Evans indicated his awareness of this problem and indicated that the buildings could be rehabilitated by individuals themselves or by a group of individuals. Mr. Mosley expressed concern that it would be too expensive for an individual to handle such a development, however, he believed that more time should be allowed to see what proposals community residents could develop. Mr. Evans suggested that the advertising be done early and provide that community residents have first preference. Mr. Mosley inquired if this would be on the basis of bidding on one building or if they had to bid on all eight structures, and Mr. Evans indicated that it was difficult to obtain financing from banks on one building alone and suggested that the building owners could form an association or a group since there was common areas such as parking involved. He did not preclude the possibility that the Agency could consider the selection of individuals for development of single buildings. Mr. Mosley proposed that the community consider the proposal prior to public advertising and asked that the item be held over. Mr. Evans suggested that the buildings be offered on a two-envelope system, with one envelope for project residents and the other for the general public. He noted that advertising would be the most effective way to determine interest in the proposal. Mr. Solvin asked Mr. Mosley if his reference to community interests pertained to people now living in the community, and Mr. Mosley replied that he was concerned with those still in the community, as well as those who had moved

NEW BUSINESS (continued)

out but wanted to return. He again stressed concern that it would be difficult for an individual to finance all eight structures. Mr. Solvin believed that more people would be afforded an opportunity to participate if the buildings were offered separately since rehabilitation costs are estimated at over \$1 million for the total number of structures. Mr. Evans reiterated his concern that lending institutions would not be interested unless the total number of buildings would be rehabilitated together.

Mr. Arnold Townsend of the Western Addition Project Area Committee (WAPAC) came forward and recalled the history of these particular buildings noting that they were originally to be moved to the waterfront area by Mr. David Kirchhoff and when that appeared to be impractical it was proposed that the facades be removed and the structures demolished. Mr. Townsend indicated that WAPAC and the community had contacted the Landmarks Board to stop destruction of the buildings, and indicated his belief that the community should have thirty days to obtain the structures. He indicated that he knew of some individuals in the community who were interested in rehabilitating the structures. Mr. Solvin discussed the need for a developer to have money to finance the rehabilitation, and Mr. Townsend indicated that the people knew it was costly and more time was needed to see if funds could be secured. Mr. Solvin expressed doubt that an institution would lend the money without assurances the entire development would be carried out but indicated he would vote for an extension so the community would have an opportunity to see what it could do. Mr. Mosley suggested that only the structures presently on the site be rehabilitated, and Mr. Townsend indicated that the total development should include those plus the three to be moved onto the site. Mr. Solvin suggested that sixty days would give the community a better opportunity to assess the potential of the development. Mr. Silva inquired if the advertising should be delayed rather than proceeding on a dual offering basis to give the community time for its evaluation, and Mr. Townsend replied affirmatively. Mr. Silva indicated that the time limit was flexible since the Pacific Trade Center was not far enough along at this time to make it necessary to move the buildings and that the buildings could be moved to a temporary site if necessary.

Chairman Kaplan noted that one or two buildings could be allocated for the community and in response to Mr. Mosley's concern about moving costs for the three buildings noted that these costs were being paid for by the Agency. Mr. Evans indicated part of the rationale behind the offering was to ascertain developer interest in the feasibility of rehabilitating these buildings since the Agency has had no experience with commercial rehabilitation. He stressed the need for assurance of developer interest before expending \$90,000 to move the three buildings. Mr. Townsend indicated that the Agency paid for moving buildings for the Foundation for San Francisco's Architectural Heritage and Mr. Evans indicated that those particular buildings were offered publicly and Heritage had been the only bidder. Mr. Townsend attributed this to the fact that the offering required the purchaser to move the buildings, but Mr. Evans indicated that the buildings were offered once on that basis and then reoffered when it was learned that the Agency could pay for the moves.

In response to Mr. Jensen's inquiry, Mr. Townsend indicated that the community should have at least thirty days to see what it could come up with. Mr. Evans stressed the need to clear the Pacific Trade Center site because construction is scheduled to start November 15, 1975 and the two buildings had to be removed. Mr. Silva indicated that it appeared construction could start even with the

NEW BUSINESS (continued)

the buildings on the site and a thirty-day delay would not be detrimental to the Pacific Trade Center development. Mr. Townsend indicated that he had already commenced discussions in the community to ascertain interest and feasibility of rehabilitating the structures and would talk with Agency staff further on the matter.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that placement of advertising for Rehabilitation Offering No. 12 in the Western Addition Approved Redevelopment Project Area A-2 be delayed for thirty days in order to permit solicitation of community interest in rehabilitation of the eight structures included in the offering.

- (d) Resolution No. 169-75 approving the method of sale and minimum disposal price for certain parcels; approving placement of advertising; and making certain findings and determinations in connection therewith, Western Addition Approved Redevelopment Project Area A-2.

This item concerns the offering of two parcels in the Western Addition A-2 area for commercial development near the Civic Center on the basis of predetermined prices with competition on other than price basis, such as the following: (1) service to the Civic Center and Western Addition A-2 community; (2) financial and design capability of the developer; and (3) ability of the developer to proceed expeditiously. Authorization of an expenditure of not more than \$1,200 for advertising the offering is also requested. In response to Chairman Kaplan's inquiry, Mr. Evans noted that the alternate use for the parcels would have permitted construction of a performing arts center.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 174-75 modification of citizens participation agreement, Western Addition Approved Redevelopment Project Area A-2.

This represents amendment of the Western Addition Project Area Committee (WAPAC) contract to cover the cost of a supervised election at \$6,750. This amendment will enable WAPAC to contract with the Fillmore Urban Consultants to supervise the election of the WAPAC governing board at its upcoming convention. The same firm supervised WAPAC's 1974 election and provided broad coverage of the nomination and election procedures, as well as conducting an orderly process of balloting and certification of electors and counting some 400 ballots with results acceptable to the community and Agency. This year the firm will establish an office, prepare press coverage, contact Western Addition organizations and residents, prepare the ballot, and supervise certification of nominees. Mr. Evans noted that Mr. Wilbur Hamilton, Deputy Executive Director, had further details on the matter.

Mr. Hamilton indicated that the supervised election process had provided an effective and satisfactory process for the community and fulfilled the requirements of the WAPAC by-laws. Mr. Hamilton indicated that there was a suggestion that the City voting machines and supervisors be used to conduct the election, however there were other factors relating to community needs which the City did not provide. He noted that to conduct an unchallenged election the best procedure would be to use the Fillmore Urban Consultants as official election supervisors and he stressed the more comprehensive services which they would

NEW BUSINESS (continued)

provide as prerequisite to the conduct of a representative election.

Mr. Jensen indicated his concern with the cost of each vote in the last year's WAPAC election which he estimated averaged \$18 per person and suggested that the San Francisco voting machines could be used for the WAPAC election and that the results could be known within half an hour after polling was closed. He expressed concern about the expenditure of \$7,000 to run an election at which only 400 votes were cast. Mr. Hamilton stressed the need to elicit community interest as well as the need to evoke the interest of candidates and in conducting the election in such a way that there is community acceptance of the results. He indicated agreement with Mr. Jensen on the technical excellence of the City voting procedures but noted that there were certain things to be done before the election that City election workers would not do.

Mr. Gene Suttle, Western Addition A-2 Project Area Director, indicated that WAPAC by-laws now required that a majority of the thirteen board seats be from the new moderate-priced private housing either as tenants, sponsors, or managers divided between four seats for Western Addition organizations and eight seats at large for the greater Western Addition area. He indicated that the board seats were reduced from 52 to 25 and that all nominees had to be certified with respect to residence requirements pertaining to boundaries of the project area of Western Addition A-2. Mr. Suttle indicated that broad coverage of the election was critical because there were 2,900 new moderate-priced private housing units and about 10,000 residents in the total area.

Mr. Solvin expressed concern that last year's WAPAC election represented a poor turnout, and Mr. Townsend indicated that a larger turnout was expected this year. Mr. Townsend noted that there was no bickering after the last election and that much work had gone into making it successful. He indicated that the turnout at the convention was high but that the vote was low and efforts would be concentrated on securing a greater number of voters this year.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

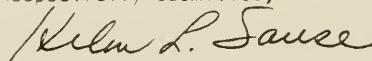
REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (c) Mr. Evans indicated that he had one additional item to report concerning the Yerba Buena Center sports arena. In two weeks the proposed nonprofit corporation for the arena will be before the Board of Supervisors. Thus far all studies indicate the feasibility of funding the development through use of revenue bonds.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:40 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
26TH DAY OF AUGUST 1975

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The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 26th day of August 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Joe Mosley
James A. Silva

and the following was absent:

Stanley E. Jensen

The Chairman declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Dr. Dominador Villa and Mrs. Rhody Laigo, Pacific Trade Center; and Piero Patri, Architect.

Representing the press were Larry Liebert, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that the minutes of the Regular Meeting of August 12, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-M, Western Addition Approved Redevelopment Project Area A-2.

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1100-M, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-D, Western Addition Approved Redevelopment Project Area A-2.

- (b) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-D, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

SPECIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel Q-3, Diamond Heights Approved Redevelopment Project Area B-1.

- (c) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel Q-3, Diamond Heights Approved Redevelopment Project Area B-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

In response to Chairman Kaplan's inquiry, Mr. Hamilton indicated that there would be an appearance of representatives from the Pacific Trade Center, following the Report of the Executive Director.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) On August 16, 1975 a long-awaited groundbreaking ceremony took place for the Moderate-Priced Private Housing Site 5 in Hunters Point. This marks the commencement of construction of one of the last two remaining sites in Hunters Point Phase I housing.
- (b) At a previous meeting there was an item before the Members concerning the advertisement of the eight-building Fillmore-Sutter Street rehabilitation package which included three buildings to be moved. The Western Addition Project Area Committee (WAPAC) requested and was granted thirty days to explore methods through which the community could be involved in the development and to date there has been one meeting and another scheduled for this Thursday to ascertain interest in rehabilitating these Victorian structures for commercial and residential use. A further report will be presented to the Members as developments occur.

SPECIAL APPEARANCES (continued)

- (d) Mr. Hamilton indicated that Dr. Dominador Villa, Chairman of the Board of Directors, and Mrs. Rhody Laigo, Executive Vice President, representing the Pacific Trade Center, were present. Mr. Hamilton read a letter dated August 22, 1975 from Mr. William C. Haas of the William C. Haas Company, which is attached hereto and made a part of these minutes. The letter indicated that upon confirmation of documentation submitted to the lender in London, England financing would be completed by November 1, 1975 and construction would start promptly after all approvals and conveyances were received. The developer's architectural firm of Whisler/Patri, represented by Mr. Piero Patri, will comment on the progress made on the design of the Pacific Trade Center.

Dr. Dominador Villa came forward and indicated regret that Mr. Haas was unable to be present at today's meeting.

Mr. Piero Patri came forward and indicated that this was an update of the previous presentation made to the Members. He noted that his firm had completed the preliminary working drawings and engineering studies by May 1, 1975 for determination of preliminary costs. The development remains as

SPECIAL APPEARANCES (continued)

originally proposed with the five-story office building and two ten-story towers, plus an apartment tower having 144 units. Mr. Patri pointed out on the renderings the grouping of the towers around a central plaza and the various amenities, such as shops, mall, Philippine Cultural and Trade Center office, cinema, restaurants, meeting halls, the 700-space underground parking on three levels, and the possible roof-top recreation area. He indicated that he was working closely with the mortgage lender, Capital Funding, from London, Agency staff, and the City. A general contractor is to be selected shortly. Once the final financing arrangements are made and the final approvals are received from the various agencies, a grading and excavation permit will be requested from the City.

Chairman Kaplan inquired what approvals were needed, and Mr. Patri responded that a building permit was yet to be requested. Chairman Kaplan inquired if the alley were closed, and Mr. Quintin McMahon, Director of Real Estate, Business Development, and Marketing, replied affirmatively.

Mr. Silva inquired about the lender's requirements and reminded Mr. Patri that the deadline for completion of financing was August 1, 1975. Mr. Patri indicated that the lender had requested basic information on the background and qualifications of the development team. Mr. Silva expressed concern that the land was cleared and would be left vacant for some time. He asked if the lenders were participants in ownership of the development and Mr. Patri answered that to his knowledge they were interested in the project only in providing the financing. Mr. Solvin inquired if the lender would own any of the project after completion, and Mr. Patri replied that the lender would not retain an equity interest. In reply to Mr. Solvin's question, Mr. Patri indicated that construction should start within two to four months after final approvals and finalization of financing.

Mr. Silva indicated that the Executive Director had granted the developer a sixty-day extension and that thirty days had already been used up. He questioned how long it would be before funding was assured. Mrs. Rhody Laigo came forward and indicated that as the Haas letter had stated, the money would be forthcoming as soon as the requested background information was submitted and that capital funding was strictly a lending institution and would have no equity whatever in the project. Mr. Silva expressed concern about the developer meeting the deadline, and Chairman Kaplan indicated that the deadline was November 1, 1975 and Mrs. Laigo asserted that it could be met and reiterated that the project would be financed. Mr. Solvin asked about the status of the funds being borrowed, and Mrs. Laigo indicated that the entire amount of money was committed. Mr. Hamilton indicated that the Pacific Trade Center financing agreement referred to in the Haas letter would be made available to the Members. He reaffirmed that the developer's deadline had been extended to November 1, 1975. Mr. Silva indicated that the extension had not been approved by the Members. In response to Mr. Silva's question, Mr. Hamilton indicated that by letter the staff had requested a detailed written status report of the developer's funding negotiations and that a representative would be present at the next Agency meeting to discuss this aspect of the development.

NEW BUSINESS

- (a) Resolution No. 181-75 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1100-M, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

This was the subject of the public hearing just held and represents disposition of two of the twelve Victorian buildings which were moved to new sites. This brings the total number disposed of to five, with five more in process. This particular parcel is at the corner of Eddy and Divisadero Streets and the Scott Street Associates will purchase the three-unit building for rehabilitation at a negotiated sales price of \$11,390. Mr. Silva inquired if the owners were from the Western Addition A-2 area, and Mr. Hamilton answered negatively.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 182-75 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1127-D, Western Addition Approved Redevelopment Project Area A-2.

This was also the subject of the public hearing and represents disposition of Parcel 1127-D to Charles J. Williams for rehabilitation at a sales price on a negotiated basis of \$5,338.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 179-75 approving the method of sale and minimum disposal price for certain parcels; approving placement of advertising; and making certain findings and determinations in connection therewith, Western Addition Approved Redevelopment Project Area A-2.

This represents an offering of nine parcels for residential and commercial development at a total value of approximately \$270,130 with selection of the developer based upon the following: (1) the degree of service to the Western Addition community; (2) the financial capacity of the developer and the demonstrated ability of his design team; and (3) the ability of the developer to proceed expeditiously with development of the site. Also included is an expenditure not to exceed \$1,500 for advertising. Mr. Silva inquired if there had not been an expenditure for similar advertising of \$1,200, and Mr. McMahon replied affirmatively indicating that the amount to be expended is dependant upon which papers the advertisements appear. In this case a reserve amount of \$300 was allowed for later placement if needed. Mr. Silva indicated that there was no indication of this allowance in the memorandum to the Members and asked that future memoranda state specifically how the money was to be apportioned. Mr. McMahon indicated that this would be done.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 175-75 approving partial payment of claim submitted by the Japanese-American Religious Federation Housing, Inc., Western Addition Area A-2.

This concerns settlement of a claim for \$12,480, or half of the original claim of \$25,957, by the Japanese-American Religious Federation (JARF) for extra costs incurred when buried debris and miscellaneous material was unearthed on the housing site during grading. Approval from the Department of Housing and Urban Development (HUD) is necessary before the settlement amount can be paid.

NEW BUSINESS (continued)

Mr. Hamilton indicated that Agency General Counsel recommended settlement based upon the Agency's scope of responsibility. He noted that over a seven-year period there were eleven contractors for clearance of the forty buildings on the site and that while some of the contractors may have been responsible for having buried this debris, it is now impossible to determine the responsibility.

Mr. Mosley believed the contractors should bear the responsibility for the costs incurred, but Mr. Hamilton indicated that JARF who was the sponsor had brought the claim against the Agency and this had to be resolved. In addition, the number of contractors involved made it impossible to assign responsibility. Mr. Mosley expressed concern about how a contractor could leave this material without discovery.

Mr. Solvin asked what would occur if the Members did not approve the settlement item, and Mr. Hamilton indicated that the Agency General Counsel advised that since it was the responsibility of the Agency to clear the land, the sponsor would have a strong case against the Agency because of its failure to deliver the site clear of debris. He noted that the original claim was for \$25,957 and this settlement was for approximately half of that amount. In response to Mr. Mosley's statement that the contractors had been paid to clear the land and should have been called upon to remove any debris, Mr. Hamilton noted that the discovery was not made until the sponsor began grading for the housing construction which was many years after many of the demolition contracts had been completed. Mr. Hamilton responded to Mr. Solvin's question by noting that JARF at its own expense had removed the debris and their claim represents their cost. Mr. Silva asked if the Agency's contract guaranteed the cleared site even though there was material that could not be seen, and Mr. Richard Thomas, Agency Attorney, replied that the Agency is obligated to prepare the site free of debris within a foot of existing grade but in this case it was discovered that large pieces of debris had been concealed beneath a layer of dirt. Mr. Solvin noted that it was less expensive for contractors to bury the material than to clear it and move it out. Mr. Thomas indicated that this was not an unusual situation. Mr. Solvin inquired who was responsible on the staff for overseeing demolition work, and Mr. Hamilton indicated that Messrs. Gene Suttle, Area Director for Western Addition A-2, and Thomas Roberts, Project Engineer, were present to answer questions.

Mr. Suttle reiterated the problems resulting from multiple demolition contracts for the site and noted that there was insufficient staff to provide a full-time person to inspect the demolition work and that the debris left on the sites could be swiftly buried by the demolition contractors. In addition, during the past this particular site had been used by the City and residents as a garbage dump. Mr. Suttle indicated that this was a moderate-priced private housing site and that the JARF was a sponsor which had worked very hard to build the proposed development within the statutory funding limits and had had to undertake the raising of more funds to start construction. Mr. Suttle noted that the Agency had at one time been able to do the basic grading and pour the building pad, however, HUD had disallowed as eligible any expenditures for this work. Mr. Mosley inquired how many blocks were involved and Mr. Suttle replied that the development covered one block, plus an adjacent street which was vacated.

In reply to Mr. Solvin's question, Mr. Hamilton indicated that JARF would pursue its suit. Mr. Solvin indicated his approval since it was the Agency General Counsel's recommendation to compromise.

NEW BUSINESS (continued)

Mr. Mosley indicated that he would agree with this settlement but wanted to stress that in the future claims resulting from negligence of the demolition contractors be made their responsibility. He indicated that final payment should not be made to contractors until inspection of the cleared area was made. Mr. Solvin commented that it could require test borings to really determine the clearance and noted that acceptance of the low bidder could result in the failure of the contractor to be conscientious about removing debris. Mr. Silva suggested that disposition agreements state that the Agency is not liable for material buried below grade. Mr. Hamilton stressed that any subsurface material left by the contractor would not be apparent until the site was graded and it would be impossible for the engineer to know if debris was present. Mr. Mosley stressed that the demolition contractor should leave the site completely cleared.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Consideration of authorization to solicit bids on Demolition and Site Clearance Contract No. 64, Western Addition Approved Redevelopment Project Area A-2.

This requests authorization to advertise Demolition and Site Clearance Contract No. 64 in the Western Addition A-2 area for demolition of six buildings, four of which are on the First Union Baptist Church site. Relocation is anticipated to be completed by the time construction is ready to start. Mr. Solvin inquired if it was expected to be a subsurface basement on the site, and Mr. Suttle replied that the contractor was only responsible for cracking the basement so the water could permeate through it, however, in this case the contractor would be known.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 64 in Western Addition A-2 be advertised.

- (f) Resolution No. 170-75 ratifying publication of notice of public hearing; and authorizing execution of conveyance instruments; all in connection with the sale to the City and County of San Francisco of Parcel Q-3, Diamond Heights Approved Redevelopment Project Area B-1.

This item was the subject of the public hearing just held and authorizes disposition of the last Diamond Heights commercial parcel to the City for park use. The \$100,000 to purchase Parcel Q-3 was donated by the Walter and Elise Haas Foundation and the Board of Supervisors accepted this gift to the City on July 8, 1975.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 177-75 authorizing the Executive Director to execute an inter-departmental work order to the San Francisco Department of Public Works for landscape maintenance in the Hunters Point Redevelopment Project Area.

This authorizes a work order with the Department of Public Works for \$10,000 for maintenance of trees and landscaping in street areas in Hunters Point.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 176-75 approving and authorizing the Executive Director to execute a purchase order for relocation of a six-inch waterline in the Hunters Point Approved Redevelopment Project NDP A-5.

This \$3,190 purchase order with E. Mitchell, Inc. is for relocation of approximately 50 feet of six-inch waterline in Southridge Road in Hunters Point to permit the Pacific Gas and Electric Company installation of a splice vault for its 115 KV somatic line. The waterline was found to be six feet west of its anticipated alignment and is in conflict with PG&E's work.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 183-75 approving and authorizing the Executive Director to execute Change Order No. 8-3 to Site Improvement Contract No. 8, India Basin Industrial Park Redevelopment Project.

This concerns a change order to Site Improvement Contract No. 8 in India Basin for \$24,486.75 to the Rosas Construction Company for removal of surcharge and work on access roads for use of the Pacific Rendering Company. In order not to delay the Department of Public Works installation of a sewer trunk line scheduled for advertisement in September, it is necessary to proceed promptly with removal of existing culvert pipes and grading and installation of base rock for the access road. A time extension of 21 calendar days is proposed to cover the duration of the work.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 178-75 travel authorization.

This represents a travel authorization for two staff members to attend the National Association of Housing and Redevelopment Officials (NAHRO) workshops in Seattle. The first is from September 8 to 10, 1975 and the second from September 10 to 11, 1975, one staff member attending each session. Mr. Hamilton indicated that Messrs. McMahon and William G. Waterhouse, Director of Project Development, will attend.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (k) Resolution No. 180-75 ratification of travel authorization.

This is a ratification of the travel of Mr. Lloyd Sinclair, Assistant to the Executive Director, who traveled to Washington, D.C. on August 18 and 19, 1975 to attend meetings with HUD set up by NAHRO for review of regulations governing the Community Development Program procedures and project close-out requirements.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Consideration of expenditure for purchase and installation of a commemorative plaque for Justin Herman Plaza.

This concerns approval of an expenditure of \$600 for a commemorative plaque for Justin Herman Plaza.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that \$600 be expended for a commemorative plaque for Justin Herman Plaza in the Golden Gateway Redevelopment Project.

- (b) Mr. Mosley inquired if any group or individual had shown any interest in the rehabilitation of the buildings located at Fillmore and Sutter Streets. Mr. Suttle came forward and indicated that there had been some interest expressed by residents of the project area. Mr. Suttle indicated that at a meeting attended by businessmen in the area several people indicated they had the interest and capability financially to pursue such rehabilitation. Mr. Suttle indicated that he had been excluded from the meeting because the participants had wanted to meet together first before consulting with Agency staff. Mr. Mosley suggested the groups be informed that Mr. Suttle be included in any future meetings since they will have to work with the staff. Mr. Suttle noted that there was a meeting this Thursday to consider interest and capacity of prospective developers.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:30 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

THE WILLIAM C. HAAS COMPANY REALTORS

HOME OFFICE 4215 BALTIMORE AVENUE-KANSAS CITY, MISSOURI 64111-816/756-1084

August 22, 1975

AG 25 '75 AM

San Francisco Redevelopment Agency
Post Office Box 646
San Francisco, California 94101

Re: Pacific Trade Center



Gentlemen:

After a recent trip to London, England for discussion with a lender, we supplied you with informational copies of the financing arrangements in which we are involved.

Since that time we have forwarded to this lender considerable material to substantiate the loan being negotiated; and as recently as yesterday, we had telephonic assurances the funds would be supplied as indicated to us subject to a confirmation of the contents of all of the documents which we have presented.

We are considerably heartened and encouraged that these negotiations have proceeded so well in this financing climate, and especially are we pleased with the repeated reassurances of expeditious formal approval. Financing completion is anticipated by November 1, 1975 and construction should then start promptly after all approvals and conveyances are received. We shall keep the Agency fully apprised of the progress we are making.

At your meeting on August 26, we are planning a brief review by our architectural firm of the progress made in the design of this project.

San Francisco Redevelopment Agency

August 22, 1975

Page 2

We know that you must share our anticipation and enthusiasm for the eventual success of this development; and if there is anything that we may do to express our appreciation and co-operation, please ask.

Sincerely,

THE WILLIAM C. HAAS COMPANY


William C. Haas
President

WCH:ef

~~MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF SEPTEMBER 1975~~

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 2nd day of September 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

DOCUMENTS

SEP 24 1975

and the following was absent:

None

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The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Representing the press were Larry Leibert, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of August 26, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Public Hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-J, Western Addition Approved Redevelopment Project Area A-2

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-J, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.
- (b) Mr. Orrell Jackson expressed appreciation for the opportunity to speak before the Members. He indicated that he wished to present the background of his complaint about the Western Addition A-2 Site Office, the Relocation Division and the Legal Division; he asked and was granted permission to appear at the next Agency meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) An article which appeared in the Sunday paper concerning the India Basin project identified several areas of staff concern, specifically in regard to the time it takes to make land marketable. Mr. Evans indicated that it was unfortunate that the writer did not acknowledge that to be marketable, land has to be in buildable condition. He also indicated that the years since the project was started have been spent on the difficult task of relocating the auto workers and the earth-work, including months of surcharging the land. So although it may appear that nothing has been going on, a great deal has actually been accomplished.

As noted in the article, there is a rendering plant which remains to be relocated; however this plant cannot be removed until relocation facilities are available. Mr. Evans noted that a new facility is to be built by the firm.

Mr. Evans indicated that an issue of concern has been the entrance to the project on Evans Avenue. This is a divided thoroughfare which requires paving, landscaping, and removal of underground wires. When this work and other main streets are in it will enhance the staff's ability to aggressively market land. He also noted that examination of the Crocker and other developments indicate that they experienced slow start but all have been successful once underway. Mr. Evans pointed out that the Agency is now in a position to offer a buyer a piece of land which could be conveyed and built on within a year. Mr. Evans stressed that the marketability of the land has also been affected by the appearance of the project. The marketing of India Basin requires emphasis on advertising, personal contacts and commitment from elected officials to convince San Francisco corporate interests that they have a civic duty to support the revitalization of this area. Mr. Evans emphasized that the India Basin marketing will take a great deal of effort.

Mr. Evans indicated that an aggressive marketing program is underway. A brochure on the project has been sent out to over 2,000 firms and staff is working with the Real Estate Association and other groups to develop their support and assistance. Within the next two weeks, a marketing schedule will be submitted to the Members for consideration.

Mr. Evans indicated his frustration in the article's articulation of his feelings that the project is not moving more rapidly but noted that an overall assessment of the accomplishments shows that a great deal has been done and staff is now at a point where marketing is feasible.

Minutes of a Regular Meeting, September 2, 1975

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Jensen stressed that the economy is in a recession and that firms are not investing at this time.

Mr. Jensen inquired about a previous uncomplimentary article on A-2. Mr. Evans indicated that he had not read the article but noted that the difficult financial period is affecting all areas. He noted that it was unfortunate that writers do not seem to find the positive aspects of the Agency's program an appealing subject for articles. The Agency has had almost continuously a hundred million dollar annual construction program for the last half decade and has produced over half the housing built for the City during that period. Redevelopment projects occupy 3.8 percent of land in the City and produce more than 4 percent of all tax revenues for the City. When Yerba Buena Center is completed this figure will increase to 14 percent of the taxes.

Mr. Jensen stressed that an article with pictures to illustrate the Agency's positive accomplishments would be a more fair presentation of the Agency's activities.

Mr. Evans indicated that an effort for positive publicity on the Yerba Buena Center Project had resulted in publication of only the picture on the inside cover but the article was not printed.

Mr. Kaplan also stressed that the Agency pays substantial amounts of in-lieu taxes.

Mr. Evans indicated that annual reports were one method of getting information out. He concluded by noting that this negativism is symptomatic of a general feeling of frustration about government and the difficulties resulting from the depressed economy.

In response to Mr. Mosley's question, Mr. Suttle, Area Director, Western Addition A-2, indicated that a meeting on the proposed Fillmore/Sutter rehabilitation development was held last Thursday and that a follow up meeting is scheduled for today. The community's ability to put together a proposal appears encouraging.

NEW BUSINESS

- (a) Resolution No. 184-75 ratifying publication of notice of public hearing; authorizing the Executive Director to enter into an Agreement for disposition of land improved with an Agency rehabilitated dwelling Parcel 1127-J; approving disposition price; authorizing execution of a Deed for conveyance of said parcel; and making certain findings and determinations therewith, Western Addition Approved Redevelopment Project Area A-2.

This is to authorize conveyance of an Agency-rehabilitated building to Terence E. Patterson and Marsha E. Smith, for the amount of \$45,900. This was a structure originally to be conveyed to Mr. & Mrs. Leutwyler who had to withdraw as developers; it was then rehabilitated by the Agency and offered for sale at a minimum price of \$38,500.

NEW BUSINESS (continued)

Of the three bids received the Patterson bid was the highest at \$45,900.

In reply to Mr. Silva's question, Mr. Evans indicated that no bids had been received from certificate holders.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 189-75 authorizing modification and budget increase for Cal State Patrol Security Guard Contrac, Western Addition Approved Redevelopment Project Area A-2.

Authorization is requested to amend the Cal Seate Security Guard contract in the Western Addition A-2 area by \$12,000 to cover unanticipated costs for special guard services.

This amendment is necessary to cover such special services as guarding possessions in eviction actions and protecting buildings being rehabilitated by the Agency. This contract expires this month and Mr. Evans indicated that bids for a new contract were being opened this afternoon September 2, 1975, and that a recommendation for a guard service contract would be forwarded to the Members.

In response to Mr. Jensen's question Mr. Evans stated that the original contract was \$106,500 which provided a guard in the site office and a mobile two-man patrol 24 hours a day as well as special guard services.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 186-75 approving work order for building inspection services for the period September 10, 1975 to September 10, 1976 for Western Addition Area A-2 Approved Redevelopment Project Area.

Authorization is requested to execute a \$10,000 work order with the Department of Public Works to provide the inspection services for buildings to be rehabilitated in Western Addition A-2. This will provide the services of one building inspector, one half day per week and one electrical inspector and one plumbing inspector on an as needed basis not to exceed 12 man-months total.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 185-75 rejecting all bids received in connection with a property management contract, Hunters Pojnt Redevelopment Project, NDP A-5.

This is a request for rejection of all bids in connection with Site Improvement Contract No. 9. This contract originally provided for paving areas for recreational use and caping an existing retaining wall and handicap ramps. After HUD declared the handicap ramp expenditure ineligible, the contract was rebid without the ramps. However, these bids exceed the low bid for the total work. The low bid received is \$41,151.90 and the

Minutes of a Regular Meeting, September 2, 1975

NEW BUSINESS (continued)

previous low bid was \$35,700. Therefore it is recommended that all bids be rejected.

In response to Mr. Silva's question, Mr. Evans indicated that an identifiable increase was for security and safety precautions services in the amount of \$8,000.00. It is recommended that the work be bid later as part of another contract.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 187-75 awarding Demolition and Site Clearance Contract No. 17, Hunters Point Approved Redevelopment Project Area, NDP A-5, to Myron Demolition & Excavation on the basis of the low bid received and authorizing the Executive Director to execute same.

This concerns award of a one-year demolition and site clearance contract to the lowest of eight bidders, Myron Demolition & Excavation, for the amount of \$26,024 for clearance of twenty wartime structures on an as vacated basis.

In response to Mr. Silva's inquiring on the per structure amounts of the previous contract, Mr. Kernan indicated that he would check the amount.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 188-75 awarding demolition and site clearance contract No. 14, India Basin Industrial Park Approved Redevelopment Project Area, R-111, to Rosas Construction Company on the basis of the low bid received and authorizing the Executive Director to execute same.

This is to authorize award of Demolition and Site Clearance Contract No. 14 to Rosas Construction Company in the amount of \$10,000 for clearance of eight parcels. The firm was the lowest of six bidders.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 190-75 authorizing execution of a quit claim Deed for conveyance to the Salvation Army of all right, title and interest of the San Francisco Redevelopment Agency in and to certain portions of Lots 12 and 13, in assessor's Block 711; Western Addition Approved Redevelopment Project Area A-1.

In connection with the A-1 Project authorization is requested to grant a quit claim Deed to the Salvation Army to clear the record for land

Minutes of a Regular Meeting, September 2, 1975

MATTERS NOT APPEARING ON AGENDA (continued)

conveyed to them by the Agency. The area affected was a portion of a street which was vacated and all money has been paid to the Agency for the land.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:00 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF SEPTEMBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California, at 3:30 p.m. on the 16th day of September, 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Joe Mosley
James A. Silva

and the following was absent:

Stanley E. Jensen

DOCUMENTS

OCT 10 1975

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The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Rev. H. L. Davis, Harry Howard, Eugene Henderson and Gerald G. Jones; First Union Baptist Church; J. O. Hedgrehth, TWC; T. Inouye, K. Inoue, Bank of Tokyo of California; Pamela Ross, San Francisco Neighborhood Legal Assistance Foundation; Briar Culhern, Angels of Light; Terence Hallinan, Albert's Patrol Services; Esther Marks, League of Women Voters; Dian Blanquist, Bay Area Women's Coalition; Arnold G. Townsend, Benny Stewart, Teall Henderson, Richard Hayn, Laviola Baker, Western Addition Project Area Committee (WAPAC); and Jim Windsor and Ralph Sauer, interested citizens.

Representing the press were Ralph Craib, San Francisco Chronicle, Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of September 2, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 756-B (Church Site No. 2) to First Union Baptist Church; Western Addition Approved Redevelopment Project Area A-2

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 756-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

SPECIAL APPEARANCES (continued)

- (b) Mr. William C. Haas appeared in response to the Agency's request for a status report on activities to date of the Pacific Trade Center. He provided the Members documentation which indicated that the majority of items requested by the lender had been submitted and the remainder were being prepared and the submission dates of these items were indicated on the material. He stressed that the material would all be submitted by October 15. He indicated that the lender was expected to honor its commitment by November 1, and that would result in the Pacific Trade Center having immediately usable financing. Upon receipt of the commitment and Agency staff approval the deed will then be put in escrow and the transaction closed by mid-November. Mr. Haas indicated that he had one concern which he wished to bring to the attention of the Members about the site. He asked for assurance that the Pacific Trade Center could depend upon the complete clearance of the site so that excavation could be started immediately. He referred specifically to the Victorians at the northwest corner noting that it appeared clearance of other buildings on the site was scheduled. He explained that according to the Pacific Trade Center design the deepest excavation will be at the northwest corner and will of necessity start at that point and move easterly toward Van Ness Avenue.

In response to Mr. Silva's inquiry, Mr. Haas indicated that Mr. Caniglia was no longer the group's local representative and that Mr. George Choppela, an attorney, was now serving in that capacity. Mr. Silva then inquired as to the local contact with respect to construction and Mr. Haas indicated that two firms were being considered and a decision would be made later today and the Agency would be notified of the selection.

Mr. Evans indicated that the time frame was still consistent with previous projections. The firm commitment is still expected November 1 and the staff review of financing evidence would take five working days after which the transaction would go into escrow. The developer then has 30 days to take down the land and 60 days to start construction. He noted that the Doggie Diner restaurant was not a site clearance problem since agreements have been worked out which permit immediate demolition. However removal of the Victorians required immediate action since excavation will begin at that location. Mr. Evans recommended that bids be immediately solicited for the interim removal of the Victorian structures. He noted that the other buildings on the site were presently under demolition contract.

Mr. Silva inquired about the expiration of the exclusive negotiating rights for Pacific Trade Center noting that the Members had extended the developer to August 1, 1975, and that the Executive Director could authorize only a 60-day extension. He suggested that action by the Members could be necessary. In response to Mr. Silva, Chairman Kaplan noted that an extension had been granted by the Executive Director to November 1, 1975.

Mr. Evans emphasized the importance of the development of this site.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) For several years the Agency has been working to implement a rehabilitation

REPORT OF THE EXECUTIVE DIRECTOR (continued)

program not dependent on Federal funding. After adoption of the Marks-Foran Act, the courts validated this financing mechanism. The Agency has now successfully negotiated with the Bank of Tokyo to borrow money at a low interest rate for residential rehabilitation loans in the Western Addition A-2 project. Mr. Evans indicated that this is the most significant break-through in developing means to accomplish rehabilitation in the last decade. The Agency will lend property owners the money borrowed from the bank. The bank has agreed to lend \$1 million at the passbook rate now at 5 percent and the Agency will be able to make thirty-year loans. The loans have a \$30,000 maximum per unit and are made at 5 3/4 percent, with interest to be renegotiated every five years. This \$1 million represents a tremendous investment by the Bank of Tokyo and is a continuation of its pioneer efforts in the Western Addition community. In about two weeks, consideration of establishment of a \$100,000 reserve fund in a non-interest bearing account at the Bank of Tokyo and related matters to implement the loan program will be brought before the Members.

Mr. Evans then introduced Mr. Inouye, Vice President and Manager of the Japan Town Branch of the Bank of Tokyo, who indicated the pleasure of his bank in participating in the development of the Western Addition community.

Mr. Evans noted that the Agency now needed to secure an Internal Revenue Service ruling on the program and would also approach other banks to participate. With at least two other banks in the program, it would be possible to have a yearly \$3-5 million rehabilitation program.

- (b) The disposition of land to LaFeill Company in India Basin has just been completed. This company manufactures machinery used in rendering plants and is remaining in the project area and will use the land for expansion. Approximately twenty five additional employees will be added to the sixty now employed by the firm. The construction, costing \$235,000, will soon be underway.
- (c) A publication in the Federal Register proposes that HUD regulations be changed to reduce from \$100,000 to \$5,000 the funds that can be expended for modification of structures for relocation facilities.
- (d) Five buildings were put out to bid on the Van Ness Corridor but only one bid was received. It is the staff recommendation that there be continued advertisement of these properties and consideration given to paying commissions to real estate brokers.
- (e) Mr. Evans advised that there had been many qualified proposals to the offering of five residential properties for rehabilitation.
- (f) Two dedication ceremonies were held last Sunday. These were for the Kyoto Inn and Christ United Presbyterian Church.
- (g) Mr. Evans expressed a favorable outlook on the community proposal for commercial rehabilitation on the Sutter-Fillmore site. In response to Mr. Mosley's inquiry regarding development of this site, Mr. Evans and Mr. Suttle noted that development opportunities would be afforded individuals but that a group was being formed of community interests for the purpose of doing the work.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mrs. Lavolia Baker reaffirmed that a group is working with business people from the community in an attempt to do the development.

NEW BUSINESS

- (a) Resolution No. 192-75 approving sale of Parcel 756-B (Church Site No. 2) to First Union Baptist Church; Ratifying and confirming publication of Notice of Public Hearing; authorizing execution of Agreement for disposition and other conveyance instruments in connection therewith; Western Addition Approved Redevelopment Project Area A-2.

This item concerns the construction of the First Union Baptist Church which will include a new sanctuary with an education wing. All conditions have been met and construction can now proceed. The estimated construction cost is \$342,000 and the land is being disposed of at \$59,000 making a total investment of \$401,000.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

Reverend Henry Davis expressed his appreciation for the opportunity to serve the Western Addition community.

- (b) Resolution No. 191-75 authorizing the Executive Director to enter into a contract with Albert's Patrol Services to perform certain patrol services of Agency-owned properties in the Western Addition Area A-2.

Authorization is requested to award a contract for security guard services in Western Addition A-2. These services were put out for bidding for the first time this year and the low bidder is Albert's Patrol from the greater Western Addition community. However, the third lowest bidder was Cal State Patrol Service, a firm from the project area. This is a \$6,000 difference between these two bids in the "on'call special guard duty" services which are over and above the basic service of providing a stationary guard in the A-2 site office and a 24-hour two-man vehicular patrol. A joint committee of WAPAC and Agency staff interviewed these two bidders and recommend that, while both firms were competent, the contract should be awarded to Cal State Patrol Service. This recommendation was based upon Cal State's record of service to the community, to provide continuity in service, but primarily because this is a project area firm.

Terrance Hallinan, attorney for Alberts Patrol, requested permission to speak, as did Mr. Ike Rhodes of R & R Investigation and Security Services.

Mr. Rhodes indicated that the hourly rate of \$2.98 required by the Agency was not adequate and indicated further that a low bid of \$106,000 would not permit payment of this wage and still show a profit. He noted that his firm paid \$3.00 per hour, then to \$3.15 after three months, and another raise after six months.

In response to the Members' inquiry, Mr. William McClure, Deputy Director of Residents and Business Services, advised that Cal State pays their guards \$2.33 to \$3.28 per hour depending upon the length of service and that Albert's pays \$2.45 per hour. He noted that a guard service can pay its personnel as

NEW BUSINESS (continued)

much as it wishes since \$2.98 is a minimum hourly rate.

Mr. Terrance Hallinan came forward to speak and indicated that Albert's, if awarded the contract, would pay at the rate of \$2.98. He advised that Albert's Patrol was located on Scott Street in the greater Western Addition area and would use primarily A-2 residents, noting that, of the twenty-two new employees on Albert's hiring list, twenty are A-2 residents. He stated that since Albert's was the low bidder, there should be no reason for it not to be awarded the contract. He explained that he was hired by Albert's because of a rumor that the contract would be awarded to Cal State and since Albert's was the low bidder it has relinquished other business and negotiated for new equipment in order to be ready to serve the contract. He stressed that the firm would consequently experience damage if not selected for the services.

Mr. Silva indicated that the Members would award the contract fairly based upon all considerations.

Mr. Rhodes indicated concern regarding costs of fringe benefits and operating expenses.

The basis for the selection committee's recommendation was presented by Bennie Stewart of WAPAC. He noted that these included the community's experience with Cal State in (1) diversified hiring, including senior citizens, young adults and women; (2) community participation; (3) hiring of community residents; and (4) it is a community based firm.

A partner in Albert's Patrol, Henry Gage, came forward to indicate that he was unaware of this criteria for selection but noted that his firm has a number of young people on its staff as well as women and older people, and is willing to provide all the free service possible to the community.

In response to Mr. Solvin's inquiry, Mr. Gage noted that he had twenty-two years of military service which included some guard service and has been with Albert's Patrol for over two years. Mr. Solvin then inquired if the firm had other contracts and Mr. Gage affirmed, submitting a list of other contracts and referrals. Mr. Gage indicated that his firm would perform well and could still make a suitable profit based upon his bid.

Arnold Townsend, Chairman of WAPAC, came forward and indicated that the committee's recommendation for selection of Cal State Patrol was based upon past performance and compatibility with the community, and was not meant to imply that Albert's was not adequate.

Mr. Evans indicated that in selection of contractors for services, the Members are not compelled to select a firm based on the low bid but can extend preference to residents of the project area. He recalled that in the past, contracts have been awarded to other than low bidder. Mr. Evans added that either firm was competent to perform the services.

It was also noted that this has been an accepted Agency practice but Mr. Townsend stressed that the solicitation of bids should have made it very clear that consideration would be given to other than the low bidder.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

Mr. Hallinan and Mr. Gage both thanked the Members and assured them that Albert's Patrol is looking forward to working with the Agency, WAPAC, and doing a good job for the Western Addition Community.

- (c) Resolution No. 197-75 authorizing the Executive Director to execute an Addendum to the Agreement contemplating a negotiated disposition of land for private development with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-K(3) to a member-shareholder of the Nihonmachi Community Development Corporation; Western Addition Approved Redevelopment Project Area A-2.

This item concerns executing documents to enable construction of a commercial development in the Nihonmachi.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 196-75 rejecting all bids received for purchase and rehabilitation of improvements, Block 674, Lot 13, Western Addition Approved Redevelopment Project Area A-2.

This item concerns a recent rehabilitation offering of several residential buildings in the Western Addition, including the Soto Mission which is non-residential.

Since there has been great interest in the Soto Mission, located at 1881 Bush Street, it is recommended that it be re-offered separately on a fixed price basis and that the selection be based upon the developer's financial capacity, ability to maintain the building, and the scope of service that could be provided the community.

Pamela Ross, San Francisco Neighborhood Legal Assistance Foundation, representing the Angels of Light, requested permission to speak. She noted that a member of the group, Mr. Ralph Sauer, had been one of the seven bidders on the Soto Mission. She introduced Mr. Mulhern, a member of the Board of Directors of Angels of Light, who explained that his was a group of artists who had been producing free theater for the past five years and has plans to rehabilitate the building, establish a theater with rehearsal space which would also be available for use by other groups and would also have dwelling units available in the building for members of the group.

Ms. Ross noted that Mr. Ralph Sauer was the only certificate holder of all the bidders and that the bid submitted on behalf of the Angels of Light was proper and there was no reason for it not to be accepted. She also noted that Mrs. Enid Sales had advised her on the previous Friday that several prestigious community groups had expressed an interest in the building and that the staff was making a recommendation for rejection of all bids and reoffering of the property. This information was to have been sent in a letter to all bidders, however none of the group had received such

NEW BUSINESS (continued)

notice of the action being proposed today. Ms. Ross stressed Mr. Sauer's entitlement to preference because of his status as a certificate holder and noted that if this preference was not honored legal action would be considered.

Mr. Evans advised that preference to certificate holders applies only to residential properties and that Mr. Sauer's certificate did not give him or the group a preference on a non-residential building. He explained that the Soto Mission structure is a lovely ornate building and that the Agency had endeavored to interest groups in its renovation for sometime and noted that the offering of the building with four residential properties was a mistake made with the reluctant conviction that the structure would have to be demolished. He indicated that this building should have been put out to bid on a fixed price basis so that groups could come forward and indicate the beneficial purpose this building could provide the community. The reoffering would not preclude the Angels of Light from submitting a new bid.

In response to Mr. Solvin's inquiry it was indicated that the Angels of Light bid was \$40,000.

Discussion followed on the interest of various organizations. Ms. Enid Sales, Chief of Rehabilitation, indicated that three days before the bid opening there had been excellent press coverage of the building's availability and as a result three organizations had expressed an interest in bidding on the building, requesting that the Agency allow more time for preparation of their proposals. Mr. Silva indicated concern about the propriety of advertising the property, receiving bids, and then rejecting all bids. Mr. Solvin expressed concern that the group who undertakes renovation of the building have the financial capacity to complete the work and maintain the building. He noted that he would like to see the property before acting on any proposal. In response to the Members' inquiry, Mr. Evans noted that staff had not evaluated the proposals. Mr. Silva suggested that action on the matter be put over to provide an opportunity for staff to evaluate the proposals, particularly with regard to each firm's financial capability.

Chairman Kaplan indicated that the matter would be put over for two weeks for staff to evaluate the financial capability of the bidders and to afford the Members an opportunity to view the property.

- (e) Resolution No. 195-75 approving the placement of advertising for India Basin Industrial Park.

This requests authorization to schedule advertising for the next year for India Basin. Instead of bringing each advertisement before the Members, staff recommends review and approval of an over-all advertising program in the amount of \$32,019 for the next year. This advertising would be in a number of periodicals including the New York Times, Examiner and Chronicle.

Mr. Solvin inquired if the staff had prepared the advertisements or if it was sent out to an agency on a commission basis. Mr. Evans responded that the staff would prepare the advertisements.

Minutes of a Regular Meeting, September 16, 1975

NEW BUSINESS (continued)

Mr. Silva requested that the Members receive copies of the advertising when available.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 198-75 adopting a policy of Broker Participation, establishing the criteria upon which the Agency shall pay commissions of real estate transactions and determining the schedule of such commissions; India Basin Industrial Park Approved Redevelopment Project Area.

This item represents the establishment of broker participation in India Basin at the rate of 6 percent on the first \$150,000 and 5 percent on over \$150,000.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 193-75 ratifying action of the Executive Director to move personal property into storage and authorizing payment therefore, Yerba Buena Center Redevelopment Project.

This requests ratification of emergency action in connection with the eviction and moving of a tenant in Yerba Buena Center and authorize payment of moving costs in the amount of \$1,961.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 194-75 authorizing travel.

Permission is requested to authorize a staff person to travel to Washington, D.C., to meet with the sponsor of Hunters Point Phase II, the National Corporation of Housing Partnerships. Mr. Evans noted that it may be necessary at a later date to expand this request to include another staff person.

Mr. Silva inquired if the National Corporation of Housing Partnerships would be working in conjunction with the Ging Engineering Company. Mr. Evans answered affirmatively, noting in response to Mr. Silva's inquiry that Mr. Morris Phillips would be the staff person going to Washington, D.C.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

DJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:00 p.m.

Respectfully submitted,
Helen L. Sause
Helen L. Sause
Assistant Agency Secretary

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
23RD DAY OF SEPTEMBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 23rd day of September 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

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and the following was absent:

Francis J. Solvin, Vice Chairman

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The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; and Mrs. Bernice Stafford.

Representing the press were Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of September 16, 1975, as corrected and as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) In answer to questions raised regarding the effectiveness of the redevelopment program in San Francisco, Mr. Evans indicated that presently there is \$83.6 million worth of construction under way in the city's project areas and that redevelopment had already more than doubled the city's income in property taxes from \$5.9 million to \$12.2 million annually using comparable tax rates and assessments. When all projects are completed, the property tax accruing to the city will be \$34.9 million, representing a 490 percent increase. Mr. Evans indicated that the program involved a \$1.5 billion building program in nine projects on 3.8 percent of land in the city. He also pointed out that when the program is completed, that 3.8 percent will produce 13 percent of San Francisco's property taxes.

- (b) The National Association of Housing and Redevelopment Officials (NAHRO) has announced it is establishing an annual award in tribute to former Executive Director M. Justin Herman to be permanently known as the M. Justin Herman Award. It is to be awarded to the person who has made a significant contribution in urban renewal and housing and will be given for the first time at the NAHRO annual conference in October.
- (c) Mr. Evans indicated that the annual Agency picnic is to take place on Saturday, October 18, 1975 and he invited the Members to attend.

NEW BUSINESS

- (a) Resolution No. 204-75 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private development with Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-E(2) to member-shareholders of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

This concerns a disposition agreement for Nihonmachi Parcel 686-E(2) to Harold and Takako Iwamasa for \$12,810 for the contemplated construction of a two-story commercial building in the Nihonmachi area.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 203-75 authorizing the Executive Director to expend \$2,000 of the gift from the Committee for Rapid Transit.

This represents an expenditure of \$2,000 from a \$5,761 gift from the Committee for Rapid Transit which is to be used for the Agency's share of a \$36,000 study undertaken by the firm of Anderson, Heiss and Hughes to be used to analyze use of increment financing.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 200-75 rescinding Resolution No. 289-74 and authorizing the Executive Director to delegate authority for personnel administration to the Principal Personnel Analyst.
- (d) Resolution No. 201-75 authorizing the Executive Director to delegate authority for personnel administration to the Deputy Director, Residents and Business Services.

Chairman Kaplan indicated that these two items would be considered together. These items result from the decision not to refill the position of Administrative Services Officer. The first concerns the rescinding of authorization for personnel administration from the Administrative Services Officer position to the position of Principal Personnel Analyst. This authorization includes responsibility for administering the contracts with Locals 400 and 21. Mr. James Nybakken has been hired to fill the position of Principal Personnel Analyst. The second item

NEW BUSINESS (continued)

delegates responsibility for craft personnel to the Deputy Director of the Residents and Business Services Division which will be handled by Mr. William McClure. In reply to Mr. Jensen's question, Mr. Evans indicated the unions would be advised of the changes.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that these resolutions be adopted.

- (e) Resolution No. 199-75 approving travel authorization for Steven F. Nord, Attorney II, to attend a lawyer's seminar on "Eminent Domain Law and Practice", sponsored by the California Continuing Education of the Bar and the American Law Institute.

This represents a request for travel for Steven F. Nord, Attorney II, to attend a lawyer's seminar on "Eminent Domain Law and Practice" in Los Angeles, California on October 2 to October 4, 1975 at a cost of \$250 for the course.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 202-75 approving travel authorization for three staff members to attend the annual National Association of Housing and Redevelopment Officials (NAHRO) Conference.

This is a travel authorization for three staff members to attend the annual NAHRO Conference in Los Angeles, California from October 11 to 15, 1975. The conference would provide an opportunity to discuss with other agencies on a national level their participation in efforts to expand the Housing and Community Development Act of 1974, to determine the need for more urgent needs funds for ongoing programs, to target the use of community development funds, and to discuss Section 8 problems in the program. In reply to Mr. Silva's question, Mr. Evans indicated that the three staff members would be himself; Messrs. Lloyd Sinclair, Assistant to the Executive Director; and Wilbur Hamilton, Deputy Executive Director.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 205-75 approving travel authorization in connection with acquisition of Block 243, Lot 6, Stockton/Sacramento Approved Redevelopment Project.

Authorization is requested for the travel of Mr. Richard F. Marshall, Business Development Specialist of the Real Estate/Marketing and Business Development Division, to Oxnard, California for one day to continue acquisition negotiations with the owners of Lot 6 in Block 243 of the Stockton/Sacramento Approved Redevelopment Project. The parcel is one of the two remaining parcels to be acquired in the project area and for the past two months negotiations have been at an impasse and personal contact is necessary to resolve the matter.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Resolution No. 206-75 memorializing the contributions of Gordon Stafford to the Redevelopment Agency and to San Francisco.

ATTERS NOT APPEARING ON AGENDA (continued)

Mr. Evans indicated that during the police strike in San Francisco recently an unfortunate and fatal accident occurred to one of the Agency's most valued employees. Mr. Gordon Stafford had worked for more than seven years both as a counselor at the New Start Center and as rehousing services representative in the Yerba Buena Center project. His life was given to public service both here in San Francisco and in San Diego. In the late 1940's he was honored by Ebony Magazine as being one of the first whites to work actively in the NAACP. He also had served as counselor at various camps, one in particular where he had urged a young man named George Foreman to find an outlet for his strengths and talents in boxing. He worked in behalf of a halfway house for ex-convicts and dealt sensitively with senior citizens and alcoholics in the Yerba Buena Center. He gave many hours to his clients beyond normal work schedules and helped some of them by giving money out of his own pocket. Mr. Stafford's interests were very broad and included ardent support of the San Francisco Symphony, Opera, and Museum Society. Mr. Evans indicated that his widow, Mrs. Bernice Stafford, was present and recommended a resolution in Mr. Stafford's memory, commanding him as a valued employee. Mr. Evans read the resolution, as follows:

"WHEREAS, Gordon Stafford joined the San Francisco Redevelopment Agency on May 1, 1968 and served as a counselor and rehousing services representative for more than seven years in the Yerba Buena Center project; and

"WHEREAS, in that difficult and sensitive position, he rendered a genuine, compassionate and selfless public service not only to the Agency but to the residents of the area; and

"WHEREAS, Gordon Stafford's interest in and love for his city extended far beyond his job from counseling human beings in difficulty to ardent support of community art and music; and

"WHEREAS, it is the desire of the Agency Members to memorialize the invaluable contributions of Gordon Stafford to the world he lived in and was involved in; now, therefore, be it

"RESOLVED that the Redevelopment Agency of the City and County of San Francisco does hereby officially recognize and memorialize the unselfish and devoted efforts and accomplishments of Gordon Stafford for all of the citizens of San Francisco; and

"BE IT FURTHER RESOLVED that a suitable copy of this resolution be delivered to his widow, Bernice Stafford of San Francisco, as an expression of the loss the Agency Members and staff consider his untimely death to be to the urban renewal program, as well as a token of the personal affection and respect in which he was held."

Mr. Evans indicated that a copy of the resolution would be given to Mrs. Stafford.

Mrs. Bernice Stafford expressed her appreciation and indicated that she took comfort from the recognition of Mr. Stafford's accomplishments which continue to live on with all those who had worked with him.

ADJOURNMENT

It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned in memory of Mr. Gordon Stafford. The meeting adjourned at 3:50 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

= MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
7TH DAY OF OCTOBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 7th day of October 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

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and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Arnold G. Townsend, Western Addition Project Area Committee (WAPAC); and E. W. Christman, Continental Development Corporation.

Representing the press were Susan Banashek, San Francisco Chronicle; and Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of September 23, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-N, Western Addition Approved Redevelopment Project Area A-2

- (a) Chairmen Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1129-N, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Yesterday the Board of Supervisors approved the reappointment of Mr. Jensen, and on behalf of the staff Mr. Evans congratulated him.

notes of a Regular Meeting, October 7, 1975

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (b) A bid opening was held today on \$10,910,000 of project loan notes for India Basin Industrial Park Project. The bid range was from 4.05 percent to 4.35 percent, and the bids were awarded as follows: \$1,000,000 to Lehman Commercial Paper, Inc. at 4.05 percent, and \$9,910,000 to Morgan Guaranty Trust and Salomon Brothers at 4.07 percent. These notes replace old notes of \$15,845,000 at 4.72 percent, thus reducing the India Basin interest costs.

W BUSINESS

- (a) Resolution No. 215-75 ratifying publication of notice of public hearing; authorizing the Executive Director to enter into an agreement for disposition of land and improvements for private housing rehabilitation of Parcel 1129-N; approving disposition price; authorizing execution of a deed for conveyance of said parcel; and making certain findings and determinations therewith, Western Addition Approved Redevelopment Project Area A-2.

This is in connection with the execution of a disposition agreement with Trans-Royal Systems, Inc. who was the high bidder for the purchase and rehabilitation of fifteen one-bedroom units at a price of \$48,750, in addition to an adjacent strip of land for parking for \$7,906, for a total amount of \$56,656. The rehabilitation costs are estimated at \$143,800. In reply to Chairman Kaplan's inquiry, Mr. Evans indicated that the units were located on Turk between Broderick and Divisadero Streets.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 85-75 authorizing the Executive Director to enter into an owner participation agreement with a certain property owner in Western Addition Approved Redevelopment Project Area A-2, Assessor's Block 676, Lots 8 and 9.
- (e) Resolution No. 211-75 authorizing the Executive Director to execute a quitclaim deed for conveyance of a strip of land to the record owners of Assessor's Lots 8 and 9 in Block 676, Western Addition Approved Redevelopment Project Area A-2.

Chairman Kaplan indicated both these items would be considered together. The first concerns authorizing execution of an owner participation agreement with the Young Women's Christian Association of San Francisco (YWCA) to cover work necessary to bring their building up to the standards of the Redevelopment Plan for Western Addition A-2. The second item authorizes execution of a quitclaim deed to the YWCA for a one and one-half foot strip of land adjacent to the property which would correct title discrepancies. Subsequent to issuance of a memo to the Members last April proposing these actions, the Department of Housing and Urban Development (HUD) advised that a nominal charge would have to be made for conveyance and has now concurred in the amount of \$25 for the strip of land.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that these two resolutions be adopted.

- (d) Resolution No. 207-75 ratifying extension of funding for the Western Addition Project Area Committee, Western Addition Approved Redevelopment Project Area A-2.

BUSINESS (continued)

This is to ratify an action extending the Western Addition Project Area Committee (WAPAC) contract for thirty days at a cost of \$14,184 to permit installation of the new Board members who were elected at WAPAC's September 27, 1975 election, and conclusion of negotiations for a new contract. Mr. Jensen inquired about press coverage which inferred there had been problems with the election and recalled that he had recommended the use of San Francisco voting machines. Mr. Evans requested Mr. Gene Suttle, Area Director for Western Addition Area A-2, to respond, and Mr. Suttle indicated that the election had been well and successfully conducted. The only occurrence resulted from a complaint by Mr. Jerry Diamond who had set up a table at the convention and passed out leaflets urging people to elect a thirteen-person slate. Mr. Diamond contended that only two of the these thirteen people appeared on the ballot, but in fact six of the thirteen were on it, exclusive of Mr. Diamond. Mr. Suttle indicated the election supervisors are checking out the filing of the remaining seven names. Mr. Diamond's name was one in contention and was to have been placed on the ballot by Mr. Al Davidson, and when he was questioned about it, he indicated that he had not filed an application. Mr. Suttle indicated that the ballot was correct. Mr. Jensen asked if there was any court action, and Mr. Suttle replied negatively. Mr. Evans indicated that the election was well run and there had been no complaints except that of Mr. Diamond's.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 210-75 awarding Demolition and Site Clearance Contract No. 64, Western Addition Area A-2, to Johnson and Sons Building Wreckers.

This is an award of Demolition and Site Clearance Contract No. 64 in Western Addition to Johnson and Sons Building Wreckers for demolition of six buildings, and in addition the removal of debris and backfill.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Consideration of advertisement for temporary move of two buildings from Block 762 to Block 772, Western Addition Approved Redevelopment Project Area A-2.

This is a request to advertise and solicit bids for the temporary move of two landmarks buildings from Block 762 to Block 772 to free the site for the Pacific Trade Center, should the move be necessary before November 1975. Award of the contract would be brought before the Members. Mr. Evans indicated that a permanent move would be made later, but only after a viable proposal for development of the Sutter-Fillmore area is presented to the Agency. Mr. Silva indicated that the interior move would also be made only if it became necessary and Mr. Evans answered affirmatively.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that should a temporary move be necessary to remove two landmarks buildings from the Pacific Trade Center site by November 1975, that bids be advertised and solicited for such move.

BUSINESS (continued)

- (g) Resolution No. 214-75 authorizing the Executive Director to enter into a contract for management development services with California State University Hayward Center for Public Service Education.

Mr. Evans indicated that since the Agency has become a multimillion dollar organization, he believed it desirable to initiate a more formal and systematic training program for its mid- and upper-management personnel by providing an Agency management training program. Proposals were solicited and three organizations capable of providing in-house training responded. Of the three it appears that the Center for Public Service Education at the California State University at Hayward would provide a program best suited to the Agency's requirements for \$7,780. The services would include instruction in management techniques, formulation of a program of implementation applicable to the Agency, and the monitoring and adjusting of the program. There would be five six-hour instruction sessions, three full-days on the implementation phase, and ten one-half day monitoring periods. Mr. Silva inquired how many employees would attend, and Mr. Evans replied about 25 to 30 employees from the mid- to upper-level management with heavy attendance from the sites offices would attend.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 209-75 award of Site Improvement Contract No. 9, India Basin Industrial Park to Neil Shooter Company.

This is a request to authorize a site improvement contract in India Basin for \$77,544.75 with the lowest of seven bidders, Neil Shooter Company of San Rafael, to construct sidewalk and tree planting, as well as excavation and removal of existing sidewalks, curb, and gutter. Also included is the construction of driveways and handicap ramps and installation of concrete tree grates. In reply to Mr. Silva's question, Mr. Morris Phillips, Area Director for Hunters Point and India Basin, replied that although the firm had not done work for the Agency before, it had worked for the City in the Hunters Point area and reports on their work were excellent.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 212-75 authorizing the Executive Director to enter into an owner participation agreement with a certain property owner in India Basin Industrial Park, Block 5238, Lot 2.

This is a request to enter into an owner participation agreement with the owners of a small distributor of petroleum products, the Independent Oil Company, whose building is scheduled for retention on the Redevelopment Plan for India Basin. The owners will use private funds of approximately \$7,000 to rehabilitate their property to cover paving of loading and parking areas, landscaping and fencing, signs, and exterior painting of the existing office building.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

BUSINESS (continued)

- (j) Resolution No. 217-75 ratification of Change Order No. 14-1 to Demolition and Site Clearance Contract No. 14 in India Basin Industrial Park.

Resolution No. 221-75 authorization to execute Change Order No. 14-2 to Demolition and Site Clearance Contract No. 14 in the India Basin Industrial Park.

This concerns ratification of an \$9,750 change order to Demolition and Site Clearance Contract No. 14 in India Basin to the Rosas Construction Company to cover the removal of an additional estimated 150 piles at \$65 per pile which are over and above the 50 piles required for removal under the contract. The contract price for each pile was \$150. Mr. Evans indicated that because of the necessity to get the site cleared for Site Improvement Contract No. 13 as soon as possible and not interrupt the work, he had authorized a change order to remove the additional 150 piles at the lower unit cost. However, just now staff has been advised by the contractor that another 300 to 500 piles have been uncovered. The contractor has agreed to remove them at a price of \$45 per pile. This discovery necessitates issuance of another change order not to exceed \$22,500. In reply to Mr. Jensen's inquiry, Mr. Redmond Kernan, Director of the Engineering Division, indicated that the price had been checked and thought to be a fair one. Mr. Solvin inquired what the nature of the piles was, and Mr. Kernan indicated that they were wooden timber piles from thirty to forty feet long driven below the surface and probably placed at a time when the shoreline came into the area. Mr. Solvin asked if buildings could not be placed on top of the piles, but Mr. Kernan indicated that because of settlement this would be undersirable and the piles would gradually protrude. He noted that the buildings there were not of high-level development, being of metal or merely sheds, and thus not so apt to have been affected by the uneven settlement. This area covers about three to five acres.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that these resolutions be adopted.

- (k) Resolution No. 208-75 authorizing termination of agreement for disposition of land for private redevelopment pertaining to Parcel 3722-B, Yerba Buena Center Approved Redevelopment Project Area D-1.

This is to authorize termination of the disposition agreement and return of the deposit on Parcel 3722-B in Yerba Buena Center to the Continental Airport Center, Inc. authorized by Resolution No. 53-74 adopted March 5, 1974. The proposed construction was scheduled to commence for fall of 1975 but the company has been unable to secure a prospective tenant and an adequate loan commitment to finance the project and has requested that the Agency either permit an extension of time with substitution of a letter of credit for its cash deposit or a refund of the deposit and termination of the agreement. It is the opinion of staff that the Agency's best interest would be to terminate the agreement and refund the deposit, since upon construction of the Central Blocks the land could be marketed at a higher value than \$20 per square foot. The Agency would prefer to have the land available for some other prospective developer.

Chairman Kaplan inquired about the status of Taylor-Woodrow's development, and Mr. Evans indicated that they had requested a nine-months' extension.

BUSINESS (continued)

but that he had advised them he would not recommend this to the Members. Chairman Kaplan also inquired about the status of Mr. Lyman Jee and Mr. EVans indicated that he was prepared to go forward with the apparel mart and Market Street office building as soon as lease arrangements were completed.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

.(1) Resolution No. 213-75 ratification of travel authorization.

This represents ratification of travel for Mr. Earl Mills, Deputy Director of India Basin and Hunters Point, who accompanied Mr. Morris Phillips to Washington, D.C. on September 30 to October 2, 1975 to attend meetings with the National Corporation of Housing Partnerships on matters concerning the Hunters Point Phase II housing units. It had been indicated at an earlier meeting that it might be necessary to send another person when a meeting was called.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

OURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

OCT 21 1975

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
14TH DAY OF OCTOBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 14th day of October 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Joe Mosley
James A. Silva

and the following was absent:

Stanley E. Jensen

The Chairman declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Arnold G. Townsend and Teall Henderson, Western Addition Project Area Committee (WAPAC); Yvonne Rand, American Zen Buddhist Center; Brian Mulkern, Angels of Light; Seymour Fromer, Judah L. Magnes Memorial Museum of the West; Ron Graybeal, Hare Krishna of San Francisco; and Charles Page, interested citizen.

Representing the press were Ralph Craib, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of October 7, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-A(2), Western Addition Approved Redevelopment Project Area A-2

- (a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 1127-A(2), Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) At the National Association of Housing and Redevelopment Officials (NAHRO)

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Conference from which he had just returned, Mrs. Carla Hills, Secretary of the Department of Housing and Urban Development (HUD), and Undersecretary David Meeker spoke about the transition of categorical programs and the regulations governing project close out. Although the information was not new to the Agency, it did illustrate HUD thinking at the highest level.

UNFINISHED BUSINESS

- (a) Resolution No. 196-75 rejecting all bids received for purchase and rehabilitation of improvements, Block 674, Lot 13, Western Addition Approved Redevelopment Project Area A-2.

This item was held over from the meeting of September 16, 1975 at the direction of the Members, in order to provide staff the opportunity to evaluate the proposals submitted with regard to the financial capability of each bidder. Of those submitting bids, it was determined that only Mr. Charles Page had submitted evidence of sufficient financial capability to purchase and rehabilitate the building. Mr. Hamilton noted that others had indicated that they may provide the information at today's Agency meeting. Word has just been received that the financial information was available on the American Zen Buddhist Center and the American Victorian Museum appeared to be verifiable. Mrs. Enid Sales, Chief of Rehabilitation, came forward and indicated that this group had provided information which indicated that they were economically qualified to purchase the property.

Mr. Silva indicated that his understanding was that Mr. Page was the only bona fide respondent. Mrs. Sales noted that Mr. Page was a qualified bidder, but now there appeared to be another which was a higher bidder than Mr. Page.

In response to the Members' questions, Mr. Charles Page came forward and indicated that he had submitted a bid for the property as an individual and planned to develop the building as housing with fourteen one-to-two bedroom units around an open courtyard. In reply to Mr. Solvin's question, Mr. Page indicated that at present the structure was used as a church, and that he had developed plans for the building if the Members wished to see them. Chairman Kaplan inquired what would be done with the present auditorium and Mr. Page replied that it would be opened to the sky as a courtyard and surrounded by the housing units. Mr. Hamilton indicated that the staff had not seen the drawings and would therefore need to review them to determine how the change from church to residential use would be accomplished.

Mrs. Yvonne Rand of the American Zen Buddhist Center came forward and indicated that she was Vice President of the Zen Center which would joint venture with the American Victorian Museum in the purchase and restoration of the building.

Mrs. Sales added that their submission of economic feasibility appeared to be verifiable. Mrs. Rand indicated the group was interested in preserving Victorian structures and wished to restore the structure. She noted that the group had bid \$40,750 for the purchase, plus having the financial capability to expend \$125,000 for restoration. She pointed out that this was a group separate and distinct from the Foundation for San Francisco's Architectural Heritage. She indicated that the Zen Center had occupied the building from 1958 to 1969 and would raise funds for rehabilitation of the structure for community purposes and possible use as a community theater and exhibit hall. Mrs. Rand indicated the group had previously remodeled other buildings in Western Addition A-2 and had a \$100,000

utes of a Regular Meeting, October 14, 1975

FINISHED BUSINESS (continued)

line of credit with various banking institutions. Mr. Hamilton recommended that the item be held over since Mr. Evans had recommended that the item be rebid and also to permit evaluation of the new financial information just received.

Mr. Brian Mulhern came forward and indicated that he represented the Angels of Light and was appearing on behalf of Mr. Ralph Sauer, a certificate holder who had submitted a bid on behalf of the Angels of Light, which was a group of artists. He indicated that he had been informed by the Agency representative that more information was needed on financial capability and that the group had then submitted a letter from a donor who indicated that she was willing to put up \$165,000 and a partial list of assets, the remainder of which was forthcoming. He indicated that the group planned to use the building as a theater and would rehabilitate it to conform to the standards of the Redevelopment Plan. Mr. Hamilton indicated that Mr. Sauer was not the winning bidder and since this was not residential property the certificate of preference did not apply. He pointed out that Mr. Sauer's personal financial statement indicated an inadequate income to purchase and rehabilitate the property and the unsigned letter from an anonymous donor with an incomplete list of assets was also insufficient since it was unverifiable.

Mr. Seymour Fromer, Director of the Judah L. Magnes Memorial Museum of the West, also known as the Jewish Museum of the West, came forward and indicated that the 1881 Bush Street synagogue was erected in 1895 and was the last built in the Moorish-style architecture. He indicated the interest of his group in not only preservation of building but also of the Jewish art and interior because of the historical and cultural significance. Mr. Fromer noted that had his group been aware of the building's sale, it would have made an effort to raise funds from the community to make a bid. He stressed that restoration was preferred to rehabilitation and estimated that \$200,000 to \$250,000 would cover such restoration. He asked the Members' consideration of having the property rebid and allowing six months' time to raise the money. He believed the building should be used for concerts, meetings, exhibits, and other community gatherings. He also indicated that his group had restored other synagogues, as well as six cemeteries pertinent to Jewish history in the Bay Area.

MOTION: It was moved by Mr. Silva that the American Zen Buddhist Center and the American Victorian Museum as joint venturers be designated as developers of the structure at 1881 Bush Street.

Mr. Ron Graybeal, representing the Hare Krishna of San Francisco, came forward and asked the Members to postpone action. He indicated that his group was the high bidder at \$59,599. Mr. Solvin inquired about the evidence of their financial capability, and Mr. Graybeal responded that the group was the successful bidder and indicated that the group had requested a letter from the Agency assuring them of selection. Upon receipt of the letter, Hare Krishna would then provide financial evidence to provide their bid amount of \$59,000, plus the \$125,000 for restoration of the building. Mr. Hamilton noted that all bidders had been asked to provide financial evidence and Mr. Graybeal stated that the devotees needed a letter committing the building to them before financial information could be divulged.

FINISHED BUSINESS (continued)

In response to Mr. Graybeal's inquiry, Mr. Silva indicated that all bidders were seriously considered. Mr. Hamilton inquired if the Hare Krishna had received the communications from the Agency, and Mr. Graybeal replied that he did not know but had been informed by the San Francisco chapter that there was still a necessity for the letter from the Agency. He indicated that the money was available, but Mr. Solvin noted that the Agency needed financial evidence and therefore could not select Hare Krishna. Mrs. Sales indicated that efforts had been made to have Hare Krishna submit the material. Two letters had been mailed to two different addresses, and she had spoken to Mr. Graybeal three times. Mr. Graybeal indicated that nothing was received to his knowledge. Mr. Solvin inquired of Mr. Graybeal what his status was and he replied he was a real estate salesman with the Ashbury Heights Real Estate Agency and that the group from Hare Krishna had come to him and gone through the normal bid process. Mr. Solvin indicated that the Members needed certain information before the building could be committed. Mr. Silva indicated that two of the bidders had provided the information requested by staff. Mr. Silva indicated it was the intention of the Agency to deal with all bidders and since the joint venture group of the American Zen Buddhist Center and the American Victorian Museum had submitted the necessary documents, he moved that it be designated as the successful bidder.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Resolution No. 196-75 be rejected and that the American Zen Buddhist Center and the American Victorian Museum be designated as the developer of the property at 1881 Bush Street, Western Addition Area A-2, and on roll call the following voted "Aye":

Mr. Kaplan
Mr. Solvin
Mr. Mosley
Mr. Silva

and the following voted "Nay":

None

and the following abstained:

None

The Chairman thereupon declared the motion carried.

Mr. Mulhern came forward and indicated that the Members had not honored the rights of the certificate holder. Chairman Kaplan indicated that their bid lacked sufficient financial evidence. Discussion followed on the information submitted and the Members reaffirmed their belief that it was inadequate.

■ BUSINESS

- (a) Resolution No. 218-75 approving the disposition price and method of sale; ratifying publication of notice of public hearing; and authorizing acceptance of offer to purchase and execution of agreement for disposition and conveyance instruments; all in connection with the sale of Parcel 1127-A(2), Western Addition Redevelopment Project Area A-2.

tes of a Regular Meeting, October 14, 1975

BUSINESS (continued)

This was the subject of the public hearing just held and concerns disposition of one of the twelve Victorian Landmark Buildings moved from their previous locations to new sites in Western Addition A-2. Mr. and Mrs. Edward R. Bennett will rehabilitate the building at a cost of approximately \$83,000 in compliance with City Codes and Western Addition A-2 rehabilitation standards.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (b) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 65, Western Addition Approved Redevelopment Project Area A-2.

This is a request to advertise for bids on Demolition and Site Clearance Contract No. 65 in Western Addition Area A-2 for demolition of two buildings, one vacant and the other occupied by the Mount Zion Baptist Church. The church is soon to move into its new facility and the present building is the last remaining building on the site being considered for development of the first phase of the Fillmore Center.

MOTION: It was moved by Mr. Silva; seconded by Mr. Mosley, and unanimously carried that Demolition and Site Clearance Contract No. 65 in Western Addition Approved Redevelopment Project Area A-2 be advertised for bids.

- (c) Resolution No. 219-75 awarding Site Improvement Contract No. 11, Hunters Point Redevelopment Project Area NDP A-5, to Bay Cities Paving and Grading, Inc.

This represents an award and execution of Site Improvement Contract No. 11 in Hunters Point to Bay Cities Paving and Grading, Inc. for \$87,439.50 to provide for construction of curbs, gutter, sidewalks, retaining walls for sidewalks, concrete stairs, site grading and subdrain installation.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 220-75 authorizing execution of agreement for community development services with the City and County of San Francisco.

This is an agreement between the Agency and the City and County of San Francisco for transfer and expenditure of 1975 calendar year community development block grant funds of \$11,942,000. These will be allocated as follows: \$6,190,500 to Western Addition A-2; \$5,656,500 for Hunters Point; and \$75,000 for study of a new rehabilitation project. This agreement for the community development fund transfer will remain relatively constant each year and a new budget will be brought annually before the Members. This reflects the community development concept wherein the money now comes through the City, which then distributes it to the Agency, rather than coming directly through contracts with HUD as before. Mr. Solvin inquired how the money was to be expended, and Mr. Hamilton indicated most of it would cover the costs of acquisition, site improvements, administration, and similar project execution items. There is no money allocated for the other projects, since they are still running on money from contracts with HUD, however, in 1976 these, too, will come under the community development program.

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NEW BUSINESS (continued)

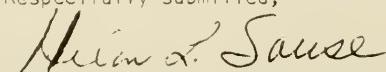
ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

Mr. Silva indicated that he wished to compliment Messrs. William G. Waterhouse, Director of Project Development, and Quintin McMahon, Director of Real Estate, Marketing, and Business Development, for their comprehensive informational memos sent to the Members regarding meetings attended by both recently.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Solvin, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:15 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

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DOCUMENTS

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF OCTOBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 21st day of October 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Joe Mosley
James A. Silva

and the following was absent:

Stanley E. Jensen

The Chairman declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; and William G. Simon, attorney representing CEME Development Company.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the minutes of the Regular Meeting of October 14, 1975 and the minutes of the Executive Meeting of October 14, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

- (a) Mr. William G. Simon, attorney for the CEME Development Company, requested and received permission to address the Members. Mr. Simon expressed appreciation for the opportunity to appear before the Members and indicated that at issue was the work performed by CEME in Hunters Point. He noted that examination of the records established the basis for the CEME claim. He indicated that as a result a demand was made of the Agency in 1973 which was not met and in May 1974 an action was filed in Superior Court on behalf of CEME for the alternative between \$3.6 million out of pocket and \$4.8 million neither of which included interest. Mr. Simon believed that because of the large number of change orders which occurred in the life of the contract which was to have lasted one year and which continued for a year in excess of that, delays and unavailability of sites for work caused substantial additional expense for CEME. He indicated that it would take from six to twelve weeks to try such a case and therefore he wished to bring the specifics of the case to the Members' attention in his presentation so they would be fully informed on any consideration of the matter.

SPECIAL APPEARANCES (continued)

Mr. Simon indicated that housing Site 2 was the first site to be worked on and there was a 114-day delay in making the site available. There were 37 change orders affecting the site which was scheduled for completion in October 1970. The last change order was received on December 30, 1971. Housing Site 1 had 38 change orders and the overall delay was in excess of 18 months. The change orders issued started in May 1970 and ran until December 30, 1971. On housing Site 3, 48 change orders were issued from May 15, 1970 until December 31, 1971 and this site according to the contract was scheduled to be available on June 27, 1970, but did not become available until September 13, 1971, or 448 days later. Housing Site 4-A had 35 change orders and a 251-day delay and Site 4-B had 35 change orders and a 398-day delay. It was on this latter site that a bin wall had been constructed by a separate contractor. Provision for this was not included in the CEME contract, and as a consequence there was no coordination of work thus a long delay was caused. Housing Site 5 had 34 change orders running from June 1970 to January 26, 1972 and work in the central borrow area had 15 change orders from July 1, 1970 to December 30, 1971 involving a 306-day delay.

Mr. Simon stated that the CEME firm had hired an expert consulting engineer to analyze the contract including the time delay factor. In negotiation the Agency had conceded a five-months' delay factor but the consultant engineer had assured CEME that a twelve-months' delay factor was closer to reality. The computation due to delays reflects that each month is equal to \$100,000 and an additional seven-months' delay expense would then be equal to \$700,000. Mr. Simon indicated that one of the problems was that the analysis of the contract performed for the Agency with respect to the verifiable amount of the claim indicated that two important areas were omitted from the evaluation. One was the delay for utility installation including sewers and water and the other involved the subcontractor for earth moving who claimed damages of \$500,000 which was later reduced to \$450,000. His claim was based on the unavailability of the site to commence work and when it was ready construction costs had escalated and the rainy season had begun. Delays were also caused because of alleged inaction of the architects in considering proposals in a timely manner. Mr. Simon claimed that there was a number of departures from the contract that destroyed it and entitled CEME to damages based on the reasonable value of its services. The claims submitted by CEME as a result of these change orders total almost \$3,300,000. CEME's detailed claim which included costs of delays and the claims of the subcontractor totals between \$4- to \$5 million. Mr. Simon indicated that this was exclusive of interest costs and he made reference to the case of McNamara, Fuller vs. State of California Water Resources, which he stated was similar because of the substantial changes in the contract the contractor was asked to do that were not covered by the contract. In that case the court awarded damages of \$11 million and interest damages in excess of \$6 million, and although the case is on appeal it appears to be precedent setting. Mr. Simon stressed that the area of establishing interest costs was a matter of the court's discretion. CEME can establish an amount of \$750,000 for interest costs alone. CEME had instructed Mr. Simon to be certain before continuing with litigation that the Agency was aware of the facts in the CEME case as presented. He commented that Agency General Counsel Henry F. Davis had been a fair adversary. He also noted that his client has indicated willingness to accept a compromise in substantially less than what might be awarded to them by the court, because it would be some time before the case could be tried. Mr. Simon indicated

SPECIAL APPEARANCES (continued)

CEME would like to save the legal fees and believed the Members would feel the same. He indicated CEME's willingness to cooperate but not to go below a certain point below which it would not go. Mr. Silva inquired what this was, and Mr. Simon indicated that it was \$1.8 million. Since there were no questions, Mr. Simon thanked the Members for their time.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The International Association of Machinists and Aerospace Workers Union Lodge 68 is giving a testimonial dinner for Mr. Jensen on October 25, 1975 in recognition of his contribution of more than thirty-five years of active involvement in the labor movement. The Members are invited to attend.
- (b) The city's newest downtown park, the Justin Herman Park at Washington and Drumm Streets, will be formally opened at noon on Tuesday, October 28, 1975, with the Turk Murphy jazz band and other San Francisco celebrities present. The park opening is sponsored by the Agency and City Recreation and Park Department.
- (c) Mr. Hamilton indicated that last week he had spoken briefly about the National Association of Housing and Redevelopment Officials (NAHRO) Annual Conference and there were several things worth noting with more definitiveness. There was discussion about the need to develop a vehicle for the increased attraction of private financing in the community development field. Mrs. Carla Hills, Secretary of the Department of Housing and Urban Development (HUD), carried this concept further by expressing a declaration of policy for the preservation of tax shelter benefits for private investors which Congress wished to remove. The Agency concurred in her position and believes it to be extremely helpful. Mr. Hamilton indicated that it was noteworthy Secretary Hills and the Agency were joined by other individuals on this position which is of great importance to the local economy. The Secretary has also announced a new version of Section 235 which would increase the former 1 percent loan for the program to 5 percent and be specifically for the \$9- to \$11,000 income range rather than the low income persons previously served by the program. It is a shallow subsidy but it does have substantial merit. It is unfortunate that it is offered as an alternative to Section 235 because it should be a complement to Section 235 and stand on its own merit; however, it should be a help in the rehousing process.

Mr. Hamilton noted also the first annual presentation of the NAHRO M. Justin Herman Award, which is given to an individual who has contributed to the field of community development and renewal. The recipient was Mr. Richard Steiner who served as Commissioner of Urban Renewal at the Housing and Home Finance Agency in the 1950's and then as Director of the Baltimore Redevelopment Agency and is now the Landscape Planning Director of the Baltimore University Campus. Mrs. Herman who was in attendance was pleased at the recognition.

Mr. Mosley inquired what the results of meetings with the community people interested in the purchase and rehabilitation of the buildings at the corner of Fillmore and Sutter Streets were. Mr. Hamilton replied that the Agency has continued to solicit their involvement either as a group or as individuals expressing interest in a joint venture, but this has been difficult because of a lack of effective leadership within the groups.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Hamilton indicated that Mr. Gene Suttle, Area Director for Western Addition A-2, had advised him that a meeting had been set for 1 p.m. on October 22, 1975 to deal with this issue and to evaluate the capacity and interest of the groups, as well as outlining the corporate entity necessary in order to do business. The people interested in the development have a basic problem of inertia in getting started and in getting the corporate entity established.

Mr. Mosley indicated he had earlier inquired if these individuals would be able to purchase and rehabilitate the buildings, but now it appeared that it would require group effort to rehabilitate the structures. Mr. Hamilton responded that no individuals with economic capability had come forward to involve themselves with the undertaking. There have been individuals and groups which have expressed interest, but it requires a cooperative effort to develop the project.

Mr. Suttle came forward and indicated that these issues would be evaluated at the meeting because he was getting conflicting information. Individuals who had agreed to one course of action at meetings later expressed disagreement. He reiterated that since mid-September the interested groups had been unable to organize and to determine what buildings they wanted or whether they would rehabilitate them as a group or as individuals; therefore, it was for the purpose of determining these issues that the meeting was called.

Mr. Mosley asked if any two people or an individual could buy the buildings, and Mr. Suttle replied that it had always been their option but he wanted the group to come to some agreement as to what they would do. Mr. Mosley indicated that it would be difficult for individuals to handle the whole project, and Mr. Suttle indicated that a cooperative entity in some form was required to provide such services common to the development such as parking and maintenance. Mr. Mosley expressed concern that individuals would not have a chance to rehabilitate the structures and inquired about the need to require common parking areas. Mr. Suttle indicated that to make the development viable provision for parking and maintenance had to be made and this could best be handled by a corporation. He stressed that people were telling Mr. Mosley one thing and telling the staff another and expressing still another view in meetings.

Mr. Hamilton indicated that the success of the project would be better assured if people went forward in a group but if individuals wanted to do individual buildings the staff was prepared to consider such interest. He believed the real issue concerned a demonstration on the part of either group or individual capacity to undertake the project. So far, no one has come forward with evidence of such capacity. Mr. Suttle indicated that he had been informed that the community interest was to be carried out as a group rather than as individuals. Mr. Mosley indicated that he had been informed that those who wished to act individually had been told the Agency would not allow them to do so. Mr. Suttle indicated that he had talked to the same people and their position changes.

Mr. Silva inquired if the development could be divided into eight parcels and parking allocated to each parcel. The parking could then be provided according to each individual's needs and capacity, since it would be included in their parcel. Mr. Suttle indicated that individual titles could be conveyed to the land on which the buildings stood but the land for parking should be conveyed to a corporation because there were benefits and obligations that were mutual. Mr. Hamilton indicated that these options were available and needed to be explored with interested parties.

Mr. Silva indicated that the idea was similar to that of the condominium concept and that it would enable people to buy property who could not purchase it any other way. Several individuals were mentioned that had expressed contrary points of view, and

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Suttle indicated to Mr. Mosley that they had not held a consistent position in the manner in which they wished to proceed.

Mr. Suttle indicated that the meeting tomorrow was to clarify all aspects of the development. Discussion followed on the various ways in which an individual could do the project. Mr. Hamilton indicated that an individual could participate by doing a building but the question was whether it was economically feasible. He indicated staff would put future communications on the matter in writing and provide copies to the Members.

Mr. Silva asked how many parking stalls were involved, and Mr. Suttle replied that there were approximately 14 to 15 and that the stalls would be located within a central court with a common entrancy. Mr. Silva suggested that each building be sold with its own parking. Mr. Suttle indicated that the problem of maintenance and control with many diverse interests was to be considered. Discussion followed on the details of how to accomplish parking allotments, and Mr. Hamilton indicated that all possibilities would be explored and the various options such as Mr. Silva proposed would be considered. Mr. Hamilton stated that the Members would be kept informed on the matter.

NEW BUSINESS

- (a) Consideration of selection of broker for project liability insurance.

This is a recommendation to accept the proposal of the Johnson and Higgins insurance firm for project liability insurance policies on five projects which expire on November 1, 1975. Only one proposal out of thirteen was received from solicitation of bids and this would be with the El Dorado Insurance Company which is the current carrier. Previous credit rates were somewhat more favorable than these but in light of the need for liability coverage it is recommended that the Johnson and Higgins proposal be accepted.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the firm of Johnson and Higgins be selected as broker for the Agency's project liability insurance.

- (b) Resolution No. 223-75 selecting the First Enterprise Bank, San Francisco, as the depository for trustee account in connection with deposits received as security for performance of land disposition agreements in Neighborhood Development Project A-5 and designating and authorizing certain personnel to administer same.

This item seeks authorization for selection of a depository for real estate sale deposits for the First Enterprise Bank in an estimated maximum amount of \$100,000 over the life of the project. In reply to Mr. Solvin's question, Mrs. Jane Hale, Controller, indicated State law requires pooling of deposits which are insured by the Federal Deposit Insurance Corporation (FDIC).

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 225-75 rescinding award of Site Improvement Contract No. 16, Western Addition Approved Redevelopment Project Area A-2, and awarding Site Improvement Contract No. 16-A to Lewis M. Merlo, Inc.

NEW BUSINESS (continued)

This represents rescinding Resolution No. 320-74 for the award of work to KENJ Construction on Site Improvement Contract No. 16 for a low bid of \$12,761 in the Western Addition A-2 project. The Public Works Department would not release the necessary permits to KENJ until it had completed its work on the curbs and when the time came in March to commence the work, KENJ was unable to obtain the necessary bonds and insurance to proceed. The Agency's General Counsel advised that forfeiture of KENJ's bid bond as proposed by Resolution No. 157-75 was not a reasonable course of action; therefore, the contract was rebid and awarded to Lewis M. Merlo, Inc. for \$13,022 under Site Improvement Contract 16-A.

ADOPTION: It was moved by Mr. Solvin, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 222-75 approving the method of sale and minimum disposal prices for certain parcels; approving placement of advertising; and making certain findings and determinations in connection therewith, Western Addition Approved Redevelopment Project Area A-2.

This represents authorization to offer five parcels on a fixed price basis for a total value of \$217,800 for residential or commercial development in the Western Addition A-2 area, and also authorize expenditure of \$1,250 for advertising in the local media and appropriate publications. In answer to Mr. Silva's question, Mr. Suttle indicated that the sites were all cleared.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (e) Resolution No. 224-75 travel authorization.

Mr. Hamilton indicated that the conference for which this travel was requested had been filled. The resolution will be withdrawn.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:25 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

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~~MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28TH DAY OF OCTOBER 1975~~

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 28th day of October 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Honorable Thomas J. Mellon, Chief Administrative Officer of the City and County of San Francisco; Melvin M. Swig, California Seals; Michael McGill, San Francisco Planning and Urban Renewal Association (SPUR); David W. Towner, Robert L. Purvis, and George C. Keeler, Golden Gateway Center; Rodney F. Friedman and A. Robert Fisher, Fisher-Friedman Associates; Marvin Buchanan, Ernest DeManty, Architects Associated; Chet C. Smith and Edward Molkenbuhr, Jr., Chet C. Smith Company; Ann Fogelberg, Citizens Responsible for Community Development; Esther Marks, League of Women Voters of San Francisco; Arnold G. Townsend, Teall Henderson, and Essie L. Collins, Western Addition Project Area Committee (WAPAC); Willie H. Smith, Jr., DD&L Trucking; and Dennis L. Kent, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; Dan Borsuk, San Francisco Progress; and George Duscheck, KQED Newsroom, Channel 9.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of October 21, 1975 and the minutes of the Executive Meeting of October 21, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

(a) Yerba Buena Center Sports Arena Presentation

Mr. Evans recalled that on July 24, 1975 the Members had authorized the Lyman Jee/Melvin Swig developer group to proceed on the Yerba Buena Center sports arena and that one of the conditions of the approval required that the Members review and approve the schematic plans. Today's presentation

SPECIAL APPEARANCES (continued)

will include these schematic plans of the sports arena, and Mr. Ernest DeManty of Architects Associated will discuss the progress made to date on that project.

Mr. DeManty came forward and noted that the renderings displayed represented more complete drawings which are available for study by the Members. He indicated on the renderings how the basic site plan relates to the Central Blocks of the Yerba Buena Center and has approaches from Folsom, Howard, Third, and within the project itself. He noted that the arena is sited as originally specified in the Master Plan. Mr. DeManty pointed out an ancillary structure which will house facilities for the team and administrative offices, and the approaches to the building along Third Street where there will be commercial facilities and ramps to the main concourse level. All service facilities are off Folsom Street and commercial uses are off Third. Another level of the elevation shows the building and commercial facilities which could be a restaurant. Mr. DeManty indicated that the building is basically an oval shape with uniform seating around the entire perimeter. It is a multipurpose structure and it could be used for the regulation eleven-lap mile track or for the National Hockey League specifications. The roof is a suspended cable system 360 feet in dimension.

Chairman Kaplan inquired where the boxes were and Mr. DeManty indicated their position at the top of the arena. It is intended that they be leased as loges for the season or the year. At this level also is an arena or stadium club which will have private membership and will be directly accessible from outside the arena, making it unnecessary to go through the arena to the club or loge area. The box units are 20 x 20 feet with approximately ten seats and a lounge facility. Mr. DeManty stressed that there was access to the arena from Folsom, Third, and Howard, and ticket sales could be at all four access points. In the stadium itself is a 25-foot wide circumvent concourse area around the entire building which makes concessions and toilet facilities easily accessible.

Mr. Jensen asked about the main entrance to the sports arena, and Mr. DeManty stressed there were four entrances opening directly on to the streets outside, which would each have an outdoor plaza approximately 100 feet wide.

Mr. Silva inquired about the connection of the arena with the public facilities and how this would be handled if the facilities did not proceed as planned. Mr. DeManty responded that all space would be utilized regardless of the other facilities. He also pointed out on the rendering the tunnel connections below street level.

Mr. Mosley asked about the view from the box seats, and Mr. DeManty indicated that there would be an unimpeded sight line to the whole arena floor and that there would be no TV cameras to block views. Mr. Evans indicated that the drawings were still in the preliminary stages but it appeared that the developer had proposed a design within the criteria established by the Agency which reflected good design and included adequate ticketing, good sight lines for basketball and other sports, movable seats with the proper slant, and four entrances and exits but there were still a few problems to resolve.

SPECIAL APPEARANCES (continued)

Mr. Evans indicated his pleasure that the design was progressing satisfactorily and appeared to be within the budget estimates. Mr. Evans also indicated that a nonprofit corporation has been formed and an agreement will be brought before the San Francisco Board of Supervisors for approval after which final plans will be prepared, appropriate design reviews held, and then the nonprofit corporation position to sell its bonds. The requirements for bond sales are already being ascertained.

Mr. Evans noted the presence of Mr. Thomas J. Mellon, Chief Administrative Officer of the City and County of San Francisco, as one who has carried the Yerba Buena Center public facilities forward for a number of years.

Mr. Evans reported that the joint venture architects for the public facilities will review the arena plans to determine that they will properly interface with the facilities.

Mr. Jensen inquired when the groundbreaking would take place, and Mr. Evans indicated that it would be in January or February of the coming year. The project is about thirty days behind the anticipate schedule. Mr. Evans also indicated that Mr. Melvin Swig and the members of the proposed nonprofit corporation were also present. Chairman Kaplan inquired if anyone else wished to speak. There being no one, he indicated his appreciation in the presentation of the sports arena plans.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Today a ceremony marked the completion of the second phase of the Golden Gateway project. The dedication of the five-acre Justin Herman Plaza at Drumm and Washington Streets was a pleasant event.

NEW BUSINESS

- (a) Resolution No. 227-75 rescinding Resolution No. 262-72, adopted November 14, 1972, which approved a form of amendment to land disposition agreement with the Golden Gateway Center, a limited partnership; and authorizing the Executive Director to negotiate a revised form of amendment of said partnership and authorizing execution thereof, Embarcadero-Lower Market Approved Redevelopment Project Area E-1.

Mr. Evans indicated that this was a request to authorize an amendment to the disposition agreement with the Golden Gateway Center for the three remaining parcels, subject to the amendment of the Redevelopment Plan and the concurrence of the Department of Housing and Urban Development (HUD). This is the last phase of the Golden Gateway project and would essentially provide for the substitution of lowrise townhouses with increased commercial space beneath them instead of the three highrise residential towers originally planned. The amendment would provide for the following: (1) a land takedown schedule calling for acquisition of and commencement of construction on the first block within six months following the effective date of the amendment,

NEW BUSINESS (continued)

with the second and third blocks being acquired and construction commencing within 18 and 12 months thereafter; (2) if the schedule is not adhered to, the developer will forfeit the \$50,000 security deposit now held by the Agency, with exception of an event over which the developer has no control; (3) the developer will pay interest costs on land to be delivered beyond the 24 months following the effective date of the amendment out of the security deposit held by the Agency--this is a HUD requirement; (4) \$50,000 of the developer's previous \$119,000 contribution to the development of the Justin Herman Plaza is to be credited to the developer's one percent art obligation; (5) the obligation of the developer to build additional recreational facilities and operate them as a nonprofit corporation is to be eliminated; (6) the Golden Gateway Center will dedicate or otherwise commit Sidney Walton Square to be used as a public park in perpetuity, a commitment which is to run to the Center's successors or assigns, and in return the Agency will provide the Center with a \$218,000 credit representing the 1975 fair cash value of the park area which will be applied against the Golden Gateway Center's anticipated in-lieu tax obligations of approximately \$330,000, with \$270,000 accumulated to date. Mr. Evans added that the park was originally conveyed to the Golden Gateway Center by the Agency for \$612,000 and the Center had fulfilled its obligation to develop and maintain the site as a park but presently had the right to develop it with improvements after 1992. It is this right that the amendment would eliminate. Because of the City's current financial difficulties, Mr. Evans recommended that the Members condition their approval subject to the concurrence of the Board of Supervisors.

Mr. Jensen indicated that the commitment of Sidney Walton Square was a critical issue and that he wanted to be assured that the park would remain and be maintained in perpetuity before he would vote on the proposed resolution. Mr. Evans indicated that an amendment could be included which was more specific on commitment and maintenance of the park. He noted that the Golden Gateway Center is presently paying approximately \$7,000 per year in taxes on the park. Mr. Solvin expressed concern about the maintenance of the park and asked if there was a guarantee that this would be done. Mr. Evans indicated that the proposed dedication of the park assured its use for public purposes and the developer was committed to continue its maintenance although the precise mechanism for maintenance of the park had not yet been worked out. Mr. Jensen again expressed concern over approval of the matter unless these matters were resolved.

Mr. Evans indicated that the representatives of the Golden Gateway Center were present and would explain the architectural plans and then if the proposed amendment is approved it could be subject to the condition of development of language specifically clarifying the commitment and maintenance of the Sidney Walton Square. Chairman Kaplan suggested that the Members hear the developer's presentation before further consideration of the matter.

Mr. David W. Towner of the Golden Gateway Center came forward and addressed the Members indicating that his firm had been working on this development plan for some time and it was not only a good design but appeared to have support of various citizen groups. He noted that the previous afternoon the plan was presented to several individuals representing a number of viewpoints, among whom there had been an opposition to previous plans for development of a highrise complex. Mr. Towner indicated that these

NEW BUSINESS (continued)

representatives were supportive of the proposal. He also indicated that the Golden Gateway Center partnership was ready to proceed with the development under the terms noted by Mr. Evans and in the matter of the dedication of the Sidney Walton Square the partnership would fulfill the agreement committing use of the park to the public and guaranteeing its maintenance. He assured the Members that the partnership's and the Agency's attorneys could provide adequate language to specify these conditions. He believed that this could be made legally binding to the Golden Gateway Center and its successors. Mr. Towner indicated that the architects, Rodney F. Friedman and A. Robert Fisher of Fisher-Friedman Associates, had brought a slide presentation showing the lowrise concept with relation to the surrounding areas.

Mr. Rodney F. Friedman came forward and exhibited the site plan showing the relationship of the three blocks comprising the Golden Gateway Center and the Sidney Walton Square. The slides showed views of the project area from Telegraph Hill and other viewpoints and also the proposed lowrise buildings with commercial uses beneath residential. It is proposed that fifty town-houses of two to three stories high, with two-level parking for approximately 130 cars, and 65,000 to 70,000 square feet for arcaded shops, restaurants, and office space would be situated in a parklike plaza setting with street tree plantings, decorative cobblestone paving, art objects, fountains, and intimate spaces. The area would be similar to that of The Cannery and Ghiradelli Square in character. Mr. Evans thanked Mr. Friedman for his presentation and comments.

Mr. Jensen endorsed the concept and asked for a restatement of the position concerning Sidney Walton Square. Mr. Evans recommended that the resolution be approved subject to assurances about the dedication of the park and its maintenance which the developer has indicated commitment of the partnership and is willing to work out adequate language on the matter. This could be done before the execution of the amendment.

Mr. Dennis L. Kent came forward to request and receive permission to speak. He indicated his pleasure in the lowrise development but referred to a letter dated June 1974 sent to former Executive Director Robert L. Rumsey from Supervisor Robert Mendelsohn in which he asked that the Agency investigate conveyance of the land at fair market value, and Mr. Kent asked if this had been done. In response to his inquiry staff had evaluated the current land value which is approximately \$8.45 per square foot in accordance with the restrictions placed on its development. The value varies with the level and kind of development involved. Mr. Evans indicated that if the land was to be offered without the requirements of open space, low density, and strict design then the land would be priced higher. Mr. Kent estimated this would be approximately \$15 to \$20 per square foot, and Mr. Evans agreed emphasizing it would have this value applied if offered without restrictions and maximum development permitted. Mr. Evans stressed that amenities such as Sidney Walton Square and the Golden Gateway Center tennis courts were on land that was not income producing, and since no one could build highrise buildings on this area its value could be considered zero. Mr. Kent indicated that the area was part of Yerba Buena Cove and thus had historical interest. He reiterated that if the land were conveyed at a higher price with requirements for lowrise development that some highrise use could possibly be achieved.

NEW BUSINESS (continued)

He indicated that he would favor the park being under the Recreation and Park Department and that the City should receive title to it as part of the agreement. In response to Mr. Kent's inquiry, Mr. Evans explained that the developers as a requirement of their disposition agreement had already spent \$1 million for recreational facilities and the requirement for additional facilities was predicated on construction of another 1,000 units which would not now be built. Mr. Evans noted that the developer had already spent \$700,000 to \$800,000 as a nonprofit entity to operate facilities exclusively for the benefit of the tenants and there appeared to be no reason why any profit should not accrue to the developer.

Mrs. Anne Fogelberg of the Citizens Responsible for Community Development group came forward and indicated that her group with Mrs. Frieda Klussman had seen the plans for Phase III and wished to compliment the architects and developer for creating a development that San Francisco residents had long hoped to see. She indicated they were strongly supportive of the concept and urged that the proposal be approved by the Members.

Mr. Michael McGill of the San Francisco Planning and Urban Renewal Association (SPUR) came forward and conveyed the support of SPUR for the proposal indicating that the development would enhance the entire northern waterfront area.

Mr. Jensen again expressed the need to guarantee that the park could not be developed for highrise apartments at some future time. Mr. Evans indicated the proposed resolution could include an additional clause on this and noted that there would also be future opportunities for the Members' consideration when action on the Redevelopment Plan changes is proposed. He suggested addition of language to the "Resolved" clause on page 2, item 7, to provide adequate safeguards to prevent development of the park and provide maintenance. Assistant Agency Attorney Steven Nord indicated that this addition would be a legally adequate guarantee. Mr. Jensen asked that the item be delayed until the language could be developed. Chairman Kaplan asked about the development of the other two blocks, and Mr. Silva inquired about putting these blocks out individually so that development could go forward on this one block with the Golden Gateway Center and the others be put out to another developer. Mr. Jensen asked if the same design would be carried out on other blocks and Mr. Evans replied affirmatively, noting that there would be a take-down with the same design which is in the development proposal before the Members now. Mr. Jensen indicated that the development should be a total entity of lowrise units and not have another developer put highrise in adjacent blocks.

Chairman Kaplan asked if there was a provision in case the developer did not follow the existing plans, and Mr. Silva also inquired if there was a provision for the land to revert to the Agency if the development schedule was not met. Mr. Evans answered affirmatively noting that the proposal contained a provision whereby the developer would forfeit a \$50,000 deposit and the land would revert to the Agency.

Mr. Jensen expressed approval of the concept in general but asked that action be delayed until language was provided which specified assurances that the park would be committed to public use and provision made for its maintenance.

NEW BUSINESS (continued)

Mr. Silva proposed amending the motion to provide that language concerning forfeiture of the deposit and reversion of the land to the Agency if the developer did not adhere to the proposed schedule. Mr. Silva also inquired if the developer would take all three parcels now. Mr. Evans noted that this had been considered but found to be infeasible in today's economy.

Mr. Evans indicated that Mrs. Fogelberg had complimented the developer on the selection of lowrise buildings but noted that the Members should also have been complimented on their efforts in requesting the developer to explore the lowrise development concept.

- (b) Resolution No. 226-75 authorizing the Executive Director to enter into a contract with the Western Addition Project Area Committee for citizen participation in Western Addition.

This is in connection with the renewal of the Western Addition Project Area Committee (WAPAC) contract for one year for \$173,628, or an additional \$7,100 over the last year's contract. The new contract deletes one staff position, funds for the WAPAC newspaper, student hiring on a part-time basis, and Board Member training sessions. It adds a 7 percent pay increase, better bookkeeping services, money for office equipment and materials, and increased allotment for conference attendance items by WAPAC staff and Board. Chairman Kaplan inquired how much WAPAC would spend for the National Association of Housing and Redevelopment Officials (NAHRO) and why was it necessary.

Mr. Gene Suttle, Area Director for Western Addition Area A-2, responded that no money had been spent for NAHRO and it had been included in the budget before. NAHRO fees for an affiliate membership are budgeted at \$30 but closer checking shows that a membership is actually \$50. This should be saved through reduced conference registrations since NAHRO members are charged a discounted registration fee.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 228-75 award of Site Improvement Contract No. 13 to Chet C. Smith Trucking Company, Hunters Point Redevelopment Project Area NDP A-5-2.

This concerns award of Site Improvement Contract No. 13 to the lowest of six bidders, Chet C. Smith Company, for \$463,705 for work including rough grading of Site B, filling and grading of market-rate lots on Innes Avenue, and hauling and placing of 139,000 cubic yards of excess excavation material at India Basin. The Agency engineer's estimate was \$1,100,000.

Mr. Silva indicated that there was controversy over this contract and asked for an explanation about the materials to be taken out of the area. Mr. Redmond Kieran, Director of the Engineering Division, indicated that the contract

NEW BUSINESS (continued)

was not controversial but did not have a possible variable. He noted that the contract calls for the removal of 120,000 cubic yards of material from the top of the hill and it is estimated that some of it may not be suitable for placement in India Basin because it is fill placed there by the government when the wartime housing was built and may have debris or be of very hard rock necessitating its removal off site. It is estimated that there are 5,000 cubic yards of this unsuitable material to be removed from the Hunters Point site and another 3,500 cubic yards from the India Basin placement site. The soils engineers and the consulting engineers made this estimate based upon as much investigation as possible without going into the site. If in the course of the job there is less unsuitable material than anticipated, the full amount of the contract would not be paid, but on the other hand if there is more then there would be a change order for the Members' approval. Mr. Silva asked if the estimate were close, and Mr. Kernan replied that it was the best possible professional guess and noted that any subsurface work is difficult to figure, even though there have been test borings in the area. Mr. Silva asked what percentage of fluctuation there could be in the estimate, and Mr. Kernan indicated that there was no way of knowing. Mr. Kernan added that a change order, if necessary, would preclude a claim. Mr. Solvin inquired if all bidders had access to the same information, and Mr. Kernan replied affirmatively.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 224-75 rejecting claim of Mrs. Lennie L. Gaines, Hunters Point Project Area.

This represents rejection of a claim for \$1,234 filed by Mrs. Lennie L. Gaines in the Hunters Point area who alleged that her car was damaged by a caterpillar tractor driven by an employee of the Arthur Haskins Company. The Agency has no liability and rejection is recommended.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:55 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

75
= MINUTES OF A REGULAR MEETING OF THE
= REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF NOVEMBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 4th day of November 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Ted Marsh, Roger Machin, and Robert Cahill, Taylor Woodrow of California Incorporated; Brad Inman, Charles Pankow, Inc; Hal Jensen, American Telephone and Telegraph Company; Ernest DeManty, Architects Associates; and Esther Marks, League of Women Voters of San Francisco.

Representing the press were Julie Smith, San Francisco Chronicle; Bill Boldenweck, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

NEW BUSINESS

- (a) Resolution No. 216-75 authorizing termination of agreement for disposition of land for private redevelopment pertaining to Parcels 3750-A and C, Yerba Buena Center Approved Redevelopment Project Area D-1.

This is a request to terminate the disposition agreement signed in April 1974 with Taylor Woodrow as developer for Parcels 3750-A and C, which consists of 120,930 square feet. These parcels were disposed of for \$642,966 which reflects a \$6.75 per square foot value for Parcel A and \$4 per square foot for Parcel C. Taylor Woodrow was to have constructed a 350,000 square foot office building on Parcel A which fronts on to Third Street, with construction to commence in the fall of 1975. Parcel C would have provided surface parking for 278 cars with the possibility that a parking structure would later be built on it. Taylor Woodrow had actively pursued development; however, they have been unable to obtain an adequate loan commitment to finance the project and have requested a nine-months' extension of time to June 30, 1976. Mr. Evans indicated that as he had indicated to Taylor Woodrow at meetings in the summer, it is the recommendation of staff that the agreement now be terminated. The Taylor Woodrow deposit would then be refunded and the site reparceled into two parcels, both with frontage along Third Street, and the parcel on the Third and Folsom site be immediately reoffered for development of a 225,000 to 250,000 square-foot

NEW BUSINESS (continued)

office building at current fair market value of approximately \$14 per square foot. The other parcel would be offered later at approximately \$10 per square foot. The offering would carry with it a condition that a developer have a lease commitment from a major tenant for at least a 100,000 square-foot area. Proposals would be received in mid-December 1975 and award made in January 1976 with construction to commence in the summer of 1976. The staff has been contacted by the American Telephone and Telegraph Company (AT&T) which appears to have an interest in locating within the Yerba Buena Center project. AT&T is ready to solicit proposals and select a developer in mid-December for recommendation to its Board of Directors which will make a decision in mid-January 1976.

Mr. Ted Marsh, Financial Director of Taylor Woodrow Ltd. of London and President of Taylor Woodrow of California Incorporated, requested and received permission to address the Members. Mr. Marsh indicated that Taylor Woodrow was the second or third largest contractor in Great Britain and in the British Commonwealth and that it had \$500 million units order book at any one time. Taylor Woodrow of California is a part of the Taylor Woodrow firm which is funded by an international industrial company pension fund contributed to by workers of the Imperial Chemical Industries which is the largest in Britain. A sum of \$12.5 million was deposited in American banks for development of this particular building. Mr. Marsh indicated that the company has retained this deposit during the delays caused by litigation in Yerba Buena Center. It has also staffed an office here since 1969 headed by Mr. Roger Machin. The company is particularly dedicated to development in urban renewal areas and has a remarkable record in England along this line, as well as in Florida, Canada, and New York.

He stressed the fact that Taylor Woodrow had invested in Yerba Buena Center at a time when there was little activity because of depressed economic conditions. Associates of Taylor Woodrow were Norris, Beggs and Simpson, realtors, who are now also associated with the firm of Robert Cahill Construction Company as a joint venture. He indicated that his firm had understood that the relationship between it and the Agency was that of a partnership. He noted the history of the firm's efforts to cooperate with the Agency when lawsuits halted work in the project. He indicated that Taylor Woodrow had spent over a half million dollars based on assurances from Agency staff and without any reasonable chance of realizing a return on their investment. Taylor Woodrow wishes to continue its efforts to develop these parcels since the firm is not interested in tax shelters. He indicated that the possibility of working with AT&T offers an opportunity to go forward on the development, and he wished more time to work out an arrangement with this company.

Mr. Solvin commented on past productive partnerships with the British people.

Chairman Kaplan referred to the scale model and asked Mr. Marsh if this were the building that was to be constructed, and Mr. Marsh indicated that it would be if it could be leased. Chairman Kaplan inquired what would happen if Taylor Woodrow could not obtain a lease from AT&T and Mr. Marsh replied that it would not take nine months to determine this fact and that he would be in constant communication with Mr. Evans.

Mr. Jensen indicated that he had been present six years ago when Taylor Woodrow had been chosen and expressed disappointment that nothing had been developed. He asked that Mr. Evans outline the reasons for the recommended termination of Taylor Woodrow and expressed concern for the possibility of starting the

NEW BUSINESS (continued)

offering process over again from the beginning. He stressed his desire to see the project expedited. Mr. Evans indicated that due to the change in parking requirements for the project there was now no longer need to set aside a parcel for this purpose and that these two parcels could be fully utilized for construction. The telephone company has indicated an interest in a 250,000 square-foot building which could be built on one of the parcels. AT&T has also indicated that Taylor Woodrow was an unacceptable developer to them and in order not to lose the opportunity to secure this building for the project it is staff's recommendation that the Taylor Woodrow agreement be terminated and the parcel reoffered. Mr. Evans indicated this did not preclude Taylor Woodrow or any other developer from working out a lease with the telephone company on that site.

Mr. Silva inquired if Cahill Construction was the principal partner, and Mr. Marsh answered affirmatively indicating that Mr. Edward Cahill would be responsible for negotiating with the telephone company. Mr. Silva asked if Taylor Woodrow could reparcel the site as proposed by Mr. Evans and Mr. Marsh indicated that this could be done. Mr. Silva commented that Taylor Woodrow already had invested half a million dollars which showed serious intent, as well as waiting through all the problems of Yerba Buena Center. In response to Mr. Silva's inquiry, Mr. Marsh indicated there would be no request for time extension beyond the nine months presently requested. Mr. Silva indicated that Mr. Marsh should understand there would be no further extensions beyond nine months. Mr. Silva indicated that Cahill Construction had a good reputation and expressed concern other contractors would profit from the time and money investment of Taylor Woodrow.

Mr. Jensen indicated he could understand the reasoning behind granting an extension but believed it would not take nine months to find out if Taylor Woodrow could work out a lease with the telephone company and expressed concern the telephone company would choose a site outside of Yerba Buena Center because of its preference for working with another developer. Mr. Silva indicated that there was no assurance that the telephone company would take this particular parcel with another developer and not with Taylor Woodrow. He stressed that Taylor Woodrow had shown good faith in trying to work with the Agency. He noted that he would favor a nine months' extension of Taylor Woodrow on the condition that it would make a personal report to the Members on a month-to-month basis. Chairman Kaplan expressed concern about dependence upon the telephone company.

Mr. Evans indicated that there was no guarantee that the telephone company would locate in the project, but since it was now ready to solicit proposals from developers it appeared to be the most immediate prospective tenant. Mr. Evans indicated that the Agency had been involved with Taylor Woodrow for a number of years and acknowledged its investment but noted that its proposals were not developed. He stressed that continuing with Taylor Woodrow may mean loss of the telephone company's tenancy in the project.

In response to Mr. Solvin's inquiry, Mr. Hal Jensen, construction engineer for the American Telephone and Telegraph Company, came forward and indicated that he was in charge of this project. AT&T was basing its unwillingness to deal with Taylor Woodrow based on the experience of the Pacific Telephone Company. Taylor Woodrow was initially the successful bidder, but there were delays which exceeded six months and no agreement could be reached. Taylor Woodrow was therefore dropped and subsequently Pankow Construction was

NEW BUSINESS (continued)

selected as the developer and is now constructing a building for the Pacific Telephone Company.

Mr. Jensen indicated that AT&T would prefer a site close to the Pacific Telephone Company Building and also to help Yerba Buena Center, but that it had remained receptive to other parcels within the area. He stressed the unacceptability of a long delay such as resulted from Taylor Woodrow's attempts to develop the Pacific Telephone and Telegraph Building. He pointed out that the phone company was a public utility with an obligation to save costs. He noted that AT&T needed to have a building constructed by April 1977.

Mr. Solvin inquired why AT&T did not own and develop its own buildings, and Mr. Jensen replied that the company's policy was not to be in real estate. Chairman Kaplan inquired of Mr. Jensen if Taylor Woodrow would be one of the developers AT&T would consider, and Mr. Jensen replied negatively. Mr. Silva inquired if this position would change if Cahill Construction Company was the principal, and Mr. Jensen answered negatively. Mr. Silva asked then if Cahill Construction would have a chance to bid, and Mr. Jensen indicated it was not the phone company's intention to publicly solicit bids and reiterated that it would not do business with Taylor Woodrow.

Mr. Jensen indicated concern that development in Yerba Buena Center proceed and noted that Taylor Woodrow had been extended on the land for the past six years and has been unable to develop the parcel.

Mr. Silva questioned why AT&T was so adamant about Taylor Woodrow and why it would not talk to Cahill Construction as principal of the development team. Mr. Silva inquired if Taylor Woodrow were able to put a package together in December.

MOTION: It was moved by Mr. Silva that an amendment to a previous motion be made and Taylor Woodrow be given a six months' time extension.

Mr. Evans reiterated that staff recommended termination of the agreement with Taylor Woodrow and noted that this would not preclude both Taylor Woodrow and Cahill Construction from further participation when the site was reoffered.

Mr. Marsh responded to Mr. Jensen's comments noting that Taylor Woodrow had not made any previous requests for extensions of time, and Mr. Evans reaffirmed this fact. Mr. Marsh pointed out that because of relocation and demolition schedules the firm had in fact six months only to get a building up and that there was no possibility that the parcel could have been built on at any time in the past six years.

Mr. Jensen inquired if Taylor Woodrow had not built because it had no tenant, and Mr. Marsh replied that the development had been affected by the adverse economic conditions and the fact that the Yerba Buena Central Blocks development had not proceeded.

Mr. Robert Cahill came forward and indicated that he was a lead partner in the Taylor Woodrow firm and would be the person talking with AT&T. He cited the firm's successful background in building construction since 1910. He indicated that Taylor Woodrow had put up a substantial amount of money in Yerba Buena Center and deserved consideration.

Minutes of a Regular Meeting, November 4, 1975

NEW BUSINESS (continued)

Chairman Kaplan inquired about the schedule for offering the parcel, and Mr. Evans replied that it would be advertised for 45 days. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated that a developer could be selected by January 9, 1976. Mr. Evans noted that this schedule would accommodate the telephone company's needs.

Mr. Cahill indicated that termination of the Taylor Woodrow agreement would incur a bad reputation for the Agency which would deter other developers.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, that Taylor Woodrow be given a six months' extension instead of nine months and that there would be no further extensions, and that it would report to the Members on a month-to-month basis or more frequently, if necessary, at the regular meetings of the Agency, and on roll call the following voted "Aye":

Mr. Mosley
Mr. Silva

and the following voted "Nay":

Mr. Kaplan
Mr. Solvin
Mr. Jensen

and the following abstained:

None

The Chairman thereupon declared that the motion failed.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, that this resolution be adopted, and on roll call the following voted "Aye":

Mr. Kaplan
Mr. Solvin
Mr. Jensen

and the following voted "Nay":

Mr. Mosley
Mr. Silva

and the following abstained:

None

The Chairman thereupon declared the motion carried.

Chairman Kaplan reaffirmed that the parcel on Third and Folsom would be put out to bid immediately. He inquired about the disposition of the remaining parcel, and Mr. Evans indicated that it would remain in the Agency's land inventory.

NEW BUSINESS (continued)

- (b) Resolution No. 229-75 approval of Yerba Buena Center sports arena schematic drawings.

This concerns approval of the Yerba Buena Center sports arena schematic drawings conditioned upon the (1) relocation of certain columns, (2) the arena would be sprinklered to permit exhibit use, (3) blending of ancillary structures with arena design, and (4) provision of design details for the complex. Mr. Solvin asked if this approval precluded approval of the final plans and details by the Members, and Mr. Evans replied negatively.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (c) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 39, Yerba Buena Center Approved Redevelopment Project Area.

This is a request to advertise Demolition and Site Clearance Contract No. 39, Yerba Buena Center Approved Redevelopment Project Area, for demolition of one seven-story commercial brick building. He noted that the relocation of the single tenant is anticipated to be effectuated by the time the contract notice to proceed is issued.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that Demolition and Site Clearance Contract No. 39, Yerba Buena Center, be advertised.

Mr. Jensen inquired about the status of the Rochester Building, and Mr. Evans replied that an application for relocation had been filed with the Department of Housing and Urban Development (HUD) and that HUD had been urged to expedite the matter.

- (d) Resolution No. 231-75 authorizing the Executive Director to enter into an owner participation agreement with a certain property owner in Western Addition Approved Redevelopment Project Area A-2, Block 677, Lot 47.

This represents execution of an owner participation agreement with Mr. James R. Stockton for a single-family home on Cottage Row in Western Addition A-2. Mr. Stockton will rehabilitate the structure for approximately \$10,500. The work will include foundation and termite correction, plumbing, electrical, and heating work.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (e) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 3, Stockton-Sacramento NDP Project Area A-5-2.

This concerns advertisement of Demolition and Site Clearance Contract No. 3 in the Stockton-Sacramento NDP Project Area A-5-2 for three residential three- and four-story wood frame buildings. Chairman Kaplan asked about pending legal proceedings for the project, and Agency General Counsel Henry F. Davis indicated that Judge Ira Brown has before him a motion to dismiss litigation at this time which the plaintiffs asked for and which they intend to appeal, but he has not signed it; however, it is anticipated he will do so shortly.

NEW BUSINESS (continued)

MOTION: It was moved by Mr. Silva, seconded by Mr. Solvin, and unanimously carried that Demolition and Site Clearance Contract No. 3, Stockton-Sacramento NDP Project Area A-5-2, be advertised.

- (f) Resolution No. 230-75 travel authorization.

This is a request for travel for Mr. Evans and Mr. Morris Phillips to travel to New York City on November 11 to 14, 1975 to attend the San Francisco Chamber of Commerce-sponsored delegation meeting with thirty companies for the purpose of attracting them to San Francisco's India Basin.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned to executive session. The meeting adjourned at 4:50 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

S-75

MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
25TH DAY OF NOVEMBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 25th day of November 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

DOCUMENTS

and the following was absent:

None

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The Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Martin Snipper, San Francisco Art Commission; Stewart Rawlings, Neighborhood Legal Aid of Hunters Point; Ernest Wertheim, Wertheim and Van der Ploeg, consultants; Richard Schadt, Richard Schadt & Associates; Michael Painter, Michael Painter & Associates; Jerry Diamond, Sons of Jesus Christ; Arnold Townsend, Western Addition Project Area Committee; E. M. Sadang, Philippine Cultural and Trade Center; and Richard Mayberry, interested citizen.

Representing the press were Michael Kilduff, San Francisco Chronicle; and Don Canter, San Francisco Examiner.

SPECIAL APPEARANCES Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel EE-5 and an easement over Parcel EE-4, Hunters Point Approved Redevelopment Project Area NDP A-5-1.

(a) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel EE-5 and an easement over Parcel EE-4, Hunters Point Approved Redevelopment Project Area NDP A-5-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel FF-3, Hunters Point Approved Redevelopment Project Area NDP A-5-1.

(b) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel FF-3, Hunters Point Approved Redevelopment Project Area NDP A-5-1. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.

SPECIAL APPEARANCES (continued)

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 781-B, Western Addition Approved Redevelopment Project Area A-2.

- (c) Chairman Kaplan opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel 781-B, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Chairman declared the public hearing closed.
- (d) Mr. Stewart Rawlings of the Neighborhood Legal Aid (NLA) of Hunters Point came forward, requested and was granted permission to address the Members. Mr. Rawlings indicated he was an attorney representing Mr. Richard Mayberry who was a tenant living with his family in Hunters Point in 1973. On July 23, 1975 Mr. Mayberry was incarcerated and three days later a notice to vacate the apartment was sent to the family. They left the premises informing the Agency that their furniture was to be kept in the apartment until arrangements could be made to store it elsewhere. Mr. Solvin inquired about the basis for eviction, and Mr. Rawlings indicated it was for nonpayment of rent but stressed that this was not the issue. Mr. Rawlings stated that the issue was the reliance of the family on the Agency to protect their possessions which were stolen. Mr. Rawlings indicated Mr. Mayberry was in jail for one year after his possessions were taken. The NLA was approached for aid by the mother and a claim of \$6,000 based on the sheriff's inventory. The NLA has worked with the staff of the Hunters Point site office to resolve the matter and Mr. Morris Phillips, Area Director for Hunters Point, recommended in a memo that a settlement be made of \$3,464, however, the Agency's Agency General Counsel advised that the statute of limitations would prevent the Agency from making payment of this claim settlement. Mr. Rawlings indicated that there were certain clauses in the statute dealing with waivers in cases of incarceration and requested that the Agency waive the statute of limitations and the recommended settlement offer be made by the Agency. Mr. Evans noted that he could not recommend payment of the claim to the Members because of the apparent restrictions of statute of limitations which could constitute a gift of public funds.

Mr. Jensen expressed concern that with the expenditures in Hunters Point for security guard services such a theft should have been prevented. Mr. Phillips indicated that the event occurred prior to the institution of security guard service in Hunters Point. Mr. Evans indicated that the service could not entirely eliminate crime in the area and suggested that even if a guard had seen a moving van at the home, he would have concluded that the people were moving, particularly since an eviction notice had been posted. He recommended that Mr. Rawlings meet with Mr. Steven Nord, Agency Attorney, to determine how best to proceed on the matter. Mr. Solvin inquired about the liability of the Agency in such cases, and Mr. Evans indicated that there was certain liability in cases of eviction and that the staff had arrived at a negotiated settlement of \$3,460. Mr. Solvin inquired if there was any offset for the delinquent rent owed. Mr. Evans indicated that this should be a part of the legal consideration.

Mr. Mosley indicated that the attorneys should consider the issue and then bring a recommendation to the Members. Mr. Richard Thomas, Agency Attorney, indicated that the laws provide the opportunity to present the matter of setting aside the statute of limitations in a court of law. Mr. Rawlings indicated that this was the position of the Agency Attorney, however, he believed that there was an alternative, which was overriding and the statute of limitations could be set aside on the grounds of equity. He wished to settle the matter with some compensation for his client to avoid the lengthy trial process. In response

SPECIAL APPEARANCES (continued)

to Mr. Solvin's inquiry about the time limit it was indicated that it was a one-year tort. Mr. Solvin suggested that both counsels get together to see if there could be a resolution of the matter and also to determine if it was possible to offset the rent owed. The Members unanimously agreed that the claim of Mr. Richard Mayberry be considered by both his attorney and the Agency General Counsel.

- (e) Mr. Jerry Diamond of the Sons of Jesus Christ came forward and received permission to address the Members. Mr. Diamond indicated that his group wanted to express an interest in the contract for the beautification program which he understood was to be placed out to public bid. He was concerned that if this were done, many contractors from outside the project area would come in and bid and he believed that the program should continue its original purpose to provide employment for hard core uneducated, unemployed community people. He believed the contract should be given to his organization, the Sons of Jesus Christ, because they were experienced in landscaping, erosion, and qualified to carry out the intent of providing vocational opportunities for community people. Chairman Kaplan indicated that only the acceptance of the cancellation of the contract by Laborers' Local 261 was on the agenda for consideration and that staff was evaluating the disposition of the services. Mr. Evans indicated that a recommendation on the matter would be on next week's calendar.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) Last week Mr. Evans attended meetings in New York City with the members of the Chamber of Commerce of San Francisco to interest business firms and banks in setting up new offices in San Francisco. Manufacturers who may have a desire to expand their facilities were also contacted to ascertain their interests in India Basin and there appears to be some interest in opening plants in California, but Mr. Evans believed more reasons would have to be found to attract the companies to the Bay Area, such as utilities, transportation, and manpower training. The trip was encouraging.
- (b) Mr. Evans indicated that as an extension of the New York trip, he traveled to Washington, D.C. to meet with Mr. David Meeker, Assistant Secretary of the Department of Housing and Urban Development (HUD) under the National Association of Housing and Redevelopment Officials (NAHRO) arrangements to present concerns of many cities on the amount of urgent needs funds appropriated by Congress. Congress authorized \$200 million for a three-year period and the survey undertaken by NAHRO indicated that over \$500 million is needed. The purpose of the meeting was to encourage HUD to ask Congress to appropriate additional funds. San Francisco has an application pending for these funds of approximately \$16 million for the calendar year 1976-1977 and is one of nine cities being considered for additional funding over and above the basic community development funding. Mr. Evans noted that there were a number of east coast cities which are lobbying very hard for funds also.
- (c) Presently pending before the Budget and Governmental Efficiency Committee of the Board of Supervisors is the CY 1976 budget which would allocate \$17.5 million of San Francisco's CD funding of \$28 million to the Agency. The Committee carried the matter over to next week and there may be some conflict since

REPORT OF THE EXECUTIVE DIRECTOR (continued)

Mr. Harvey Rose, Budget Analyst, has been requested to reserve \$3 million out of the total \$28 million to help with property taxes in San Francisco. The Mayor, HUD, Agency, and citizens' groups have indicated that such diversion of funds was inimical to the intent of the Community Development Act. Mr. Evans indicated that receipt of the full \$17.5 million is still not sufficient to keep the projects progressing on schedule.

- (d) Bids were opened on the sale of project loan notes this week and the successful bidder for the \$6,485,000 of NDP Hunters Point and Stockton/Sacramento notes was Chemical Bank with A. G. Becker at 3.10 percent. This replaces old notes of \$12,785,000 at 3.97 percent. The successful bidders for the Embarcadero/Lower Market notes were (1) Lehman Commercial Paper, Inc. for \$2,000,000 at 3.59 percent and (2) United California Bank for \$1,395,000 at 3.62 percent, replacing old notes of \$3,440,000 at 4.06 percent. Interest rates reflect the lower prime rate on a short-term basis, but the long-term financing is still expensive.

Mr. Silva inquired about the status of the Pacific Trade Center and noted that their extension was to have expired thirty days ago. Mr. Evans indicated that because of Mr. Haas's previous unavailability the matter would be brought before the Members next Tuesday. He noted that the group had submitted a letter requesting an extension of one month. Mr. Silva indicated that the Agency had a letter from another group which appeared to be fully financed and ready to start and suggested there should not be an extension for a group which had already received extensions and still required additional time. Mr. Evans believed that PTC should have an opportunity to present their own request next Tuesday and that he had not studied the letter mentioned by Mr. Silva in detail. He indicated that the Agency had an executed agreement with PTC and the procedure for declaring them in default would begin when the Members directed that they be sent a notice of default. Then PTC would have to provide evidence of financing or the agreement would be terminated. Mr. Silva indicated concern that there appeared to be a discrepancy in policy since at a previous meeting a request for an extension was not granted, the Agency had proceeded to terminate the developer and that this group had not only received previous extensions but was requesting another extension. Mr. Jensen concurred in the need to get developers who will proceed expeditiously. Mr. Solvin asked how a developer's financing is evaluated and Mr. Evans indicated that evidence is submitted after which the Agency deposits the deed of conveyance and instructions in escrow. The developer then has thirty days to purchase the land. Mr. Solvin asked if this evidence could be a letter of intent, and Mr. Evans answered affirmatively indicating that such a letter would come from a financing institution. Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated that the developer would have to show evidence of financial capability to purchase not only the land but to construct the improvements as well. Mr. Evans noted that evidence of financing was not normally provided until plans were completed and leaseholds were firmed up. Mr. Silva and Mr. Jensen asked for a report, and Mr. Evans indicated the matter would be calendared at the next meeting.

NEW BUSINESS

Chairman Kaplan indicated that the following item would be taken out of order.

- (g) Resolution No. 234-75 ratifying the action of the Executive Director in sending Taylor Woodrow of California, Incorporated, a notice of default pursuant to the terms of land disposition agreement, Parcels 3750-A and C, Yerba Buena Center Approved Redevelopment Project Area D-1.

NEW BUSINESS (continued)

Mr. Evans indicated that this was the site held by Taylor Woodrow and the authorization requested concerns ratification of the Executive Director's demand that the developer cure the default of its land disposition agreement within sixty days. Requirements are (1) an equity capital commitment and/or (2) a firm mortgage financing commitment. The letter was issued to Taylor Woodrow on November 19, 1975 and the action requested is a cautionary matter since the Members authorized termination of the Taylor Woodrow agreement and return of their deposit on November 4, 1975. Taylor Woodrow advised the Agency by letter dated November 12, 1975 that it would not recognize the validity of the termination alleging that there were misrepresentations made at the November 4 Agency meeting and refused the return of their deposit check. Upon advice of Agency General Counsel, Taylor Woodrow was then advised it is in default under terms of its land agreement and a demand was made that it cure its default. If the default is not cured then the contract is terminated within sixty days. Mr. Silva inquired when the sixty-day period commenced, and Mr. Evans replied November 19, 1975. Mr. Silva asked if Taylor Woodrow met all the requirements would they move forward, and Mr. Evans answered affirmatively. Mr. Silva indicated that a portion of this parcel was to have been offered on a schedule that would permit a developer to meet the development needs of the American Telephone and Telegraph Company and suggested that it now appeared that the Members had been misled. Mr. Evans indicated that the offering was proceeding and the real difference was that Taylor Woodrow would forfeit its \$30,000 deposit if it could not put together a feasible development proposal. Mr. Evans indicated that AT&T has invited four or five developers to submit proposals on construction of a structure for its use. Mr. Silva indicated that at the November 4 meeting the representative from the telephone company had stressed its financial responsibility as a public utility yet it did not go out to public bid for the construction of its building. Mr. Jensen indicated his desire to see construction in Yerba Buena Center.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (a) Resolution No. 241-75 approving cancellation of the Laborers' Local 261 park and mall contract in Western Addition A-2 and the weed abatement program contract in Diamond Heights and Yerba Buena Center.

This represents authorization to accept the request of Laborers' Local 261 to cancel its contracts for the park and mall maintenance in Western Addition A-2 and the weed abatement contract in Diamond Heights and Yerba Buena Center effective November 13, 1975. Laborers' Local 261 has made a request to be released due to other commitments and the Agency's property management staff will assume direction of the work on an interim basis.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (b) Resolution No. 233-75 requesting the Public Employees' Retirement System to evaluate the cost of amending its contract with the Agency.

This authorizes the preliminary step to an amendment to the Public Employees' Retirement System (PERS) contract to conform with new State law permitting a cost of living increase in excess of the previous limit of 6 percent. The evaluation will provide an assessment of the added cost not to exceed \$150.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Solvin, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 238-75 approving the disposition price and method of sale and authorizing the execution of conveyance instruments; and ratifying and confirming publication of a notice of public hearing all in connection with the sale of disposition of Parcel EE-5 together with an easement over disposition Parcel FE-4 to the City and County of San Francisco, Hunters Point Approved Redevelopment Project Area.

This was the subject of the public hearing just held and concerns sale of a portion of Parcel EE-5 to the City for a reservoir at a cost of \$22,750. The remainder of the parcel will be dedicated for park use. It was necessary to sell the reservoir area because the Agency is acquiring the old reservoir site from the City. HUD has concurred in this procedure. Ratification of a notice of public hearing is also requested.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 239-75 approving the disposition price and method of sale and authorizing the execution of conveyance instruments; and ratifying and confirming publication of a notice of public hearing all in connection with the sale of disposition Parcel FF-3 to the San Francisco Unified School District, Hunters Point Approved Redevelopment Project Area, NDP A-5-1.

This was the subject of a public hearing and concerns sale of Parcel FF-3 to the San Francisco Unified School District for \$4,000 for use as a school parking lot. Also requested is ratification of notice of public hearing.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (e) Consideration of selection of landscape architectural consultants for Hunters Point Approved Redevelopment Project Area.

This concerns selection of landscape architectural consultants for two contracts, one for the Ridgetop Park, consisting of approximately 3.4 acres, to (a) design and prepare contract documents, and (b) provide construction inspection services. The cost of this contract is estimated at between \$60- to \$70,000. The two firms considered to be best suited to undertake this work are Michael Painter and Associates and Richard Schadt and Associates.

The other contract involves presently undeveloped Agency land covering approximately five acres and the consultant will design and prepare contract documents as required for development of the areas into temporary parks, playgrounds, and visually pleasant open spaces. This contract is estimated at \$15,000.

Mr. Evans indicated that for this work it was difficult to ascertain the exact scope of the services required to complete the landscape architectural work and additional money may be determined to be needed. The two firms recommended for this work are Wertheim and Var der Ploeg and Michael Painter and Associates.

Mr. Michael Painter of Michael Painter & Associates came forward and indicated that his firm consisted of eight professional people and three of five principals were minority people. He indicated the firm's experience with the Agency

NEW BUSINESS (continued)

and in the Hunters Point area, and noted the extensive work in which his firm is involved in other parts of the country and abroad, as well as the receipt of thirty awards for design given to the firm.

Mr. Richard Schadt of Richard Schadt & Associates came forward and indicated his was a small firm with offices in San Francisco and experience in the Hunters Point area. He noted that he had dealt with Site 5 and All Hallows Gardens in Hunters Point and the Frederick Douglas Haynes Homes and Phase II housing in Western Addition. In response to Mr. Silva's inquiry, Mr. Schadt indicated that he was an equal opportunity employer. Mr. Evans indicated that both firms were well qualified.

MOTION: It was moved by Mr. Solvin, seconded by Mr. Jensen, and unanimously carried that Michael Painter & Associates be designated as the landscape architectural consultants and the staff directed to negotiate a contract with the firm for services for the Ridgetop Park contract in Hunters Point.

Mr. Ernest Wertheim of Wertheim and Van der Ploeg came forward and indicated that his firm had been in business over thirty years and is presently working on the Hunters Point Project Site I with Murray McCormick, and he had worked on one of the child care centers. He indicated he was well acquainted with the difficult soils and erosion problems of the rocky sloping topography of Hunters Point and had had extensive horticultural experience in the field of plant materials. He also mentioned other work done in various areas of the state, including planting and resolution of erosion problems of the 14-mile sewer line installed in the Truckee-Tahoe area. Mr. Wertheim indicated he was an affirmative action employee.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that the firm of Wertheim and Van der Ploeg be designated as a landscape architectural consultant and staff directed to negotiate a contract with the firm for services for approximately five acres of undeveloped land in Hunters Point.

- (f) Resolution No. 240-75 authorizing the Executive Director to execute a purchase order for the design and production of promotional maps for Hunters Point and India Basin Industrial Park Approved Redevelopment Project Area.

This concerns authorization to execute a purchase order for \$4,800 for the design and production of promotional maps of Hunters Point and India Basin Industrial Park as the projects will appear upon completion. Three of these maps will be reproduced in plexiglass, silkscreened, and permanently mounted in the Agency central office, Hunters Point site office, and Joint Housing Committee offices, and a hundred copies of poster quality will be provided for distribution. The principals of the firm of Communigraphics consists of Maria Tabo and Ed Popp who will perform the work, and they are well qualified.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (g) Item (g) was previously considered.

- (h) Resolution No. 237-75 approving the disposition price and method of sale and authorizing the execution of conveyance instruments; and ratifying and

NEW BUSINESS (continued)

confirming publication of a notice of public hearing all in connection with the sale of disposition Parcel 781-B to the City and County of San Francisco, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing and concerns sale of Parcel 781-B presently occupied by the Western Addition A-2 site office building to the City and County of San Francisco Art Commission for use as a neighborhood cultural center at a price of \$280,000. Also involved is ratification of a notice of public hearing and approval of the sales price. Mr. Martin Snipper, Director of the Art Commission, came forward and indicated that the area was very important to the Commission. He indicated that when the Board of Supervisors appropriated \$2.5 million to the Commission, a series of hearings was held and priority developed for establishment of a community cultural center in Western Addition. Funds are available to proceed with plans to modify the structure to suit this use. Mr. Evans noted that the site office staff will move to a new location in early January.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 242-75 awarding of Site Improvement Contract No. 18 to Valentine Corporation, Western Addition Approved Redevelopment Project Area A-2.

This represents an award of Site Improvement Contract No. 18 to the lowest of three bidders, the Valentine Corporation, for \$23,941 for construction of sidewalks and curbs around Moderate-Priced Private Housing Site 5.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 235-75 authorizing the award of a contract to Columbia Elevator Company for elevator repairs, Western Addition Approved Redevelopment Project Area A-2.

This concerns conversion of a freight elevator in Agency-owned property at 675 Golden Gate Avenue to comply with industrial safety code requirements. The low bid of \$3,886 was from the Columbia Elevator Company, Inc. and since the projected net revenues from the building are estimated at \$6,000 annually, the cost of conversion appears reasonable.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (k) Resolution No. 236-75 ratification of travel authorization.

This is to ratify travel and per diem expenses of the Executive Director in traveling from New York to Washington, D.C. for a meeting with HUD Assistant Secretary David Meeker to discuss urgent needs funding on November 17, 1975. The meeting was arranged by the National Association of Housing and Redevelopment Officials (NAHRO) primarily to present concerns of several cities, as well as San Francisco's urgent needs application of \$16 million for the calendar years 1976-1977.

NEW BUSINESS (continued)

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:43 p.m.

Respectfully submitted,

Helen L. Sause

Helen L. Sause
Assistant Agency Secretary

DEC 13 1975

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MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
2ND DAY OF DECEMBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 2nd day of December 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Francis J. Solvin, Acting Chairman
Joe Mosley
James A. Silva

and the following was absent:

Walter F. Kaplan, Chairman
Stanley E. Jensen

The Acting Chairman declared a quorum present.

Arthur F. Evans, Executive Director, and staff members were also present.

Also present were Arnold Townsend, Mary Helen Rogers, and Ben Stewart, Western Addition Project Area Committee (WAPAC); George S. Dolim, Ronald Storitz, Herbert M. Rosenthal, and Richard Dinkelspiel, State Bar of California; Rhody Laigo, M. Guillermo, Forencio Ritch, Javita D. Buted, Sofia Schumme Hennig, Robert Delano, Vickie Delano, G. Tambio, E. Galicia, R. Galicia, Aquilino Corpus, Dr. Dominidor Villa, William C. Haas, and Piero Patri, representing the Pacific Trade Center; Dr. Esteban M. Sadang and Philip Abend, representing the Philippine Cultural and Trade Center.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the minutes of the Regular Meeting of November 25, 1975, as corrected and as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 785-B, C. and D, Western Addition Approved Redevelopment Project Area A-2.

- (a) Acting Chairman Solvin opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcels 785-B, C. and D, Western Addition Approved Redevelopment Project Area A-2. There being no persons wishing to appear in connection with the matter, the Acting Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel Y-16, Hunters Point Approved Redevelopment Project Area, NDP A-5-1.

SPECIAL APPEARANCES (continued)

- (b) Acting Chairman Solvin opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel Y-16, Hunters Point Approved Redevelopment Project Area, NDP A-5-1. There being no persons wishing to appear in connection with the matter, the Acting Chairman declared the public hearing closed.

Public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel Z-17, Hunters Point Approved Redevelopment Project Area, NDP A-5-1

- (c) Acting Chairman Solvin opened the public hearing to hear all persons interested in the matter of the proposed transfer and conveyance of Parcel Z-17, Hunters Point Approved Redevelopment Project Area, NDP A-5-1. There being no persons wishing to appear in connection with the matter, the Acting Chairman declared the public hearing closed.

REPORT OF THE EXECUTIVE DIRECTOR

Executive Director Arthur F. Evans reported to the Members on the following matters:

- (a) The Budget and Governmental Efficiency Committee of the Board of Supervisors continued its consideration of the allocation of the \$28.8 million community development funds for calendar year 1976. The Agency's original budget request was for \$23 million of these funds, but this was cut to \$17.5 million. At the meeting today the Committee determined that \$3.3 million should be taken out of the community development funds and set aside to pay for certain capital improvements already approved but not financed. The current City budget anticipates savings from attrition and other areas of underexpenditure to have \$20 million to pay for these, however any additional funds that could be secured would help assure the availability of the \$20 million. At the previous public hearing there was a great deal of negative comment on this proposal and the Committee decided to take \$1.5 million from these funds. Of this, \$750,000 would come from the Agency's budget and at this time it is not known what cuts in the Agency's program will be necessary. There are always items which can be deferred, however, this results in the projects being extended and ultimately costing more. The community development budget for 1976 with the \$1.5 million reduction will be before the full Board of Supervisors next Monday.

A request for urgent needs funds is now pending in the Department of Housing and Urban Development (HUD) for \$16 million for the calendar years 1976 and 1977. This money is over and above the \$28.8 million community development allocation to the City and would be used to move the projects to completion. The HUD central office in Washington, D.C. has indicated that some urgent needs funds will be allocated to San Francisco in recognition of San Francisco's substantial commitment of money and is also interested in protecting its investment by completing the projects.

- (b) The evaluation of the park and mall and weed abatements contract for Western Addition A-2 is continuing and it is recommended that the matter be considered at the next meeting.

NEW BUSINESS (continued)

- (a) Consideration of time extension of developer rights for the Pacific Trade Center, Parcel 762-A, Western Addition Approved Redevelopment Project Area A-2.

This concerns the joint venture of Walter C. Haas and the Philippine Cultural and Trade Center to develop the Pacific Trade Center on the two blocks in the Western Addition A-2 bounded by Van Ness, Golden Gate, Franklin, and Turk Streets. Mr. Haas has requested an extension of 90 days' time to permit completion of the joint venture's financing plan. Mr. Evans indicated that the Members considered the Pacific Trade Center to have had sufficient time to complete their negotiations; however, today's economy is difficult and there have been few projects of this magnitude started in the last year, with the possible exception of the publicly owned State Compensation Insurance Fund Building at Ninth and Market Streets. The Pacific Trade Center is a substantial development of an estimated \$38 million in total project cost. The developer has put up a \$120,000 deposit and spent over \$600,000 to bring the project this far along. Plans were submitted on schedule but the evidence of financing which was to have been submitted in August has not yet been provided. A loan is being obtained from an English source and negotiations on this financing are not yet completed. Mr. Evans indicated that he had telephoned the person in England responsible for the loan and was informed that it would take approximately two to three weeks to complete assessment of the loan and then it would be referred to the firm's investment committee. The process, although involved, is nearly complete; however, the English source indicated that because of the Christmas holidays the investment committee would not meet until January. It would take time after that to complete documentation for submittal to the developer and subsequently to the Agency. There was no indication that the loan would not be made to the Pacific Trade Center, only that it would require more time to complete. On this basis, Mr. Evans recommended that in the best interest of the Agency a 60-day time extension to February 1, 1976 be granted to allow completion of the Pacific Trade Center's financing arrangements. He noted that Mr. Haas had requested a 90-day extension from the date of the Members' action, but he recommended only the 60-day extension.

Acting Chairman Solvin inquired if there were any present who had favorable comments on the matter.

Mr. W. C. Haas came forward and indicated he was one of the joint venture partners. He confirmed the presentation made by Mr. Evans and noted that it was at his suggestion that Mr. Evans call the London firm to ascertain the veracity of the statements made by the Pacific Trade Center on the status of its financing. Mr. Haas indicated that he believed that the loan request of \$30,275,000 was forthcoming, particularly because of the favorable loan ratio shown by the MAI report which states that the fair market value of the project is \$39,900,000. He noted that PTC had now supplied all information requested by the London firm and that there was no way to accelerate the group's deliberate processing procedure. He indicated that he had wanted to use an American loan but was forced to go abroad for financing by the depressed economic conditions. His total investment to date is \$683,000. Mr. Haas indicated that PTC had exerted every effort to supply the voluminous information requested and he urged the cooperation of the Members in allowing an extension of 90 days while the final processing of the loan was being completed.

NEW BUSINESS (continued)

Acting Chairman Solvin inquired if there were persons present wishing to express opposition to the extension.

Dr. Esteban M. Sadang came forward and indicated that he was President of the Philippine-American International Corporation and that he had been working for the past two years on this project. He submitted several letters of exhibit to the Members for their perusal. He indicated that as previous President of the Philippine Cultural and Trade Center, he had written to a lender in London, Mr. J. Kahn, on behalf of the Philippine Cultural and Trade Center, Inc. and was informed that the group could obtain financing through a Mr. W. John Morley, industrial and financial consultant. That letter indicated that there was no better guarantor than the Central Bank and that other banks in the Philippines were also acceptable, and it was Dr. Sadang's belief that no loan would be forthcoming without approval of a bank. He requested that the development of the site now held for the Pacific Trade Center be designated for development by his group since he believed that the Haas joint venture was in default and unable to secure financing. He indicated that his group had the financing and that for the good of the city and the Filipino community the project be turned over to him.

At the request of Dr. Sadang, Mr. Philip Abend came forward and indicated that he was a real estate consultant from San Rafael working with Dr. Sadang on this proposal. He indicated that the group Dr. Sadang referred to did not yet have the project financing but did have a concept for what appeared to be a feasible project. This concept was an essential step before financing could be arranged. The project would have a preponderance of multifamily housing and the acceptability of this would have to be considered by the Agency. Mr. Abend indicated that in his opinion the group from the Pacific Trade Center had expended a great deal of money and had worked long and hard on their project and he could not in good conscience ask the Members to deny them their request for an extension.

Mr. Haas indicated that Dr. Sadang's remarks required some clarification. He noted that the Mr. Kahn to whom Dr. Sadang referred was an insurance broker in London whose sole connection with the project was in bringing the Pacific Cultural and Trade Center to the party who would finance the project. Mr. Haas indicated that the project's financing was a complete package which included interim financing by the Walter C. Haas Company, as well as the long-term funding. Mr. Haas noted that closure of the funding would be handled by the firm's office in the State of Wisconsin. He indicated that the interim lender had also expressed an interest in entering an equity position in the project.

Acting Chairman Solvin inquired why Wisconsin was chosen instead of California and Mr. Haas responded that it was determined by the law relative to usury in California and was necessitated by the high interest rates.

Mr. Silva inquired of Agency Attorney Richard Thomas if the Members would be in jeopardy in an out-of-state closure since the project involved the use of Federal funds, and Mr. Thomas indicated that he believed there would be no problem since many corporations have their headquarters in other states; however, he had not had the opportunity to study this particular loan documentation.

Dr. Sadang indicated that the National Corporation for Housing Partnerships represented by Mr. Les Wheeler had expressed a commitment to his group, but unfortunately Mr. Wheeler only comes to San Francisco on Fridays out of Washington, D.C. and therefore was unable to be present today.

NEW BUSINESS (continued)

Mr. Silva noted that the expenditure of Mr. Haas's group of over \$600,000 would not in any way influence the Members in voting for an extension and he likened it to a similar situation a few weeks ago where the developer had spent half a million dollars, and had previously requested an extension and was granted no extension but rather was declared in default. Mr. Haas indicated that he merely mentioned the expenditure of the \$683,240 to demonstrate the commitment the group had to the project.

In reply to Mr. Silva's question, Mr. Evans recommended a 60-day extension to February 1, 1976. Mr. Silva indicated that through ~~the matter~~ not being presented to the Members, the group had already in effect had a 30-day extension and with 60 more would have the full 90 days. He noted that in reality the Agency would be giving them 150 days beyond the date required for submission of the material in August. Mr. Evans indicated that the presentation of the matter had been delayed by the unavailability of Mr. Haas, and he was recommending additional time based on his conversation with the English source who indicated the probability of making the loan but the impossibility of completing financing arrangements prior to February 1, 1976. Mr. Evans indicated that he believed this was the best chance to get the project built.

Mr. Silva asked about Mr. Wheeler's interest and Mr. Evans indicated that he was the Agency's Chief of Housing and had left to work with NCHP but had not been with the group for over a year. The NCHP is a good group and well known to the staff. It has sponsored Sites 4 and 5 in Hunters Point and is expected to participate in the subsidized housing for Phase II. Mr. Evans stressed that the Philippine-American International Corporation had only a concept for development of the site and even the interest expressed by NCHP was only an expression of interest in the most preliminary form.

Mr. Mosley inquired if the Pacific Trade Center group could complete its financing within 60 days' time and if not then how long would be required. Mr. Evans indicated that based on his conversation with the English firm, the 60 days would be tight.

Mr. Silva suggested a motion which would not permit extending the developer beyond February 1, 1976. Acting Chairman Solvin indicated that consideration be given to an alternative. Mr. Evans cited a similar experience with the Golden Gateway's Hyatt Regency Hotel which had long been extended and required a final few days' extension to complete. Mr. Silva expressed concern about allowing developers further delays. Mr. Mosley indicated that several extensions had already been granted to the group and while he did not want to provide them with further time and believed that there should be a cutoff date, he did feel that the group was close to being able to go forward and should have the time necessary to complete its financing. He believed guidelines were necessary to prevent the extension from being abused.

Mr. Silva noted his concern that the group have the impression from staff that it could return for further extensions if it were not ready at the end of 60 days and that it had already received extensions which it should not have had. He asked if the group would accept the extension of 60 days with no further extensions to be made. Mr. Evans indicated that if the financing were within a few days of completion he believed that provision should be made for this eventuality. Mr. Silva indicated that if only a few extra days were necessary the Members would consider further extensions.

NEW BUSINESS (continued)

Mr. Mosley asked Mr. Haas if the firm could complete its financing in 60 days and Mr. Haas replied that he did not think everything necessary could be done in 60 days and noted that it was dealing with a firm which moves very carefully and deliberately and could not be rushed. He noted that the financing group was a bureaucracy involved similar to that apparently of HUD. He indicated that when the disposition agreement was signed by the Pacific Trade Center group, the economic problems of today could not be foreseen. He stressed that the group needed to have 90 days to be realistic, which would be until March 1, 1976 and then it would either be in or out. He noted that only 90 days had been allowed in the disposition agreement after approval of plans to come up with the \$38 million financing and even in a good economic market this would have been virtually impossible. Mr. Haas indicated that he did not think any group could have moved more expeditiously under the tight money with high interest rates economic conditions of today.

Mr. Mosley indicated that when Mr. Haas believed the financing was 95 percent complete, he questioned why the balance required so much time, and Mr. Haas responded that the 95 percent was provision of items within control of the Pacific Trade Center but that the actual written commitment was now dependent upon the English firm and its time requirements governed completion of the financing.

Mrs. Mary Helen Rogers of the Western Addition Project Area Committee (WAPAC) came forward and expressed concern that WAPAC had not seen the plans for the development, nor did it see the Nihonmachi plans.

Mr. Gene Suttle, Area Director for Western Addition A-2, came forward and indicated that separate issues were being brought up by Mrs. Rogers. He noted that the Nihonmachi Corporation has two liaison members on its board. He believed that Mr. William Kellar had discussed the development with WAPAC and has tried to schedule review of the current plans. Mrs. Rogers indicated that Mr. Kellar had sent nothing to WAPAC, or if he had, the WAPAC board did not receive it.

Mr. Arnold Townsend of WAPAC came forward and indicated there was no formal submission of information on this matter to WAPAC although there had been informal conversations with Mr. Kellar. Mr. Evans affirmed that during this period when financing was being worked out there had been no communication.

Mr. Silva indicated that the Pacific Trade Center project should be reviewed by WAPAC as the community organization funded by the Agency and expressed appreciation to the representatives for bringing the matter before the Members. Mr. Townsend stressed that affirmative action was not the only aspect that WAPAC was interested in but noted that it had responsibility for reviewing plans in the project area. He noted that WAPAC was not consulted on developments along the Van Ness Corridor, the Nihonmachi, and the Fillmore. Mr. Silva asked Mr. Haas if he had realized that development plans had to be reviewed by WAPAC and Mr. Haas indicated that he did not and that his involvement had been in the design and financing of the project. He indicated Mr. Kellar had delegated that aspect of the development. Mr. Evans indicated that the plans should be submitted to WAPAC.

NEW BUSINESS (continued)

Mr. Evans indicated that the Pacific Trade Center appears to have the financing necessary to get construction started and needs only an extension to March 1, 1976 to complete its arrangements. Mr. Silva inquired about a proposed extension to March, and Mr. Evans indicated that if there were to be no further extensions, it would be desirable to give the developer more time to complete his transaction. Mr. Solvin asked how soon the developer then could begin construction. Mr. Haas indicated that it depended upon the rapidity with which the site permit could be granted after the paper work was completed. He noted he could not apply for a site permit until he had title to the land, but that the development was on a fast track construction method and upon application for a barricade permit and excavation could begin within 30 to 45 days. It is anticipated that the project will actually commence mid-May 1976. Mr. Solvin indicated that because of the state of the economy it would be some time before another developer could be brought along to this point.

MOTION: It was moved by Mr. Silva that an extension of the Pacific Trade Center developer's rights be approved on the condition that there would be no further extensions without documented evidence stating that the financing was available and only the financing process required an additional short time to complete.

Mr. Mosley indicated that the February 1, 1976 deadline would be reconsidered if there were only an additional short time needed to complete the transaction. Mr. Silva noted his appreciation of the group's efforts to build the project but stressed his concern about seeing project land vacant for long periods of time. In reply to Mr. Haas's question, Mr. Solvin indicated that an additional extension would have to be based upon evidence that the loan was available, and not just because more time was needed to obtain money. Mr. Haas agreed to the stipulations.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that developer rights for the Pacific Trade Center, Parcel 762-A in Western Addition A-2 be extended to February 1, 1976, with no extensions of time granted unless documented evidence stating that definite financing was available and only a short additional time was needed to complete the financing process.

- (b) Resolution No. 249-75 awarding Demolition and Site Clearance Contract No. 65, Western Addition Approved Redevelopment Project Area A-2.

This concerns award of Demolition and Site Clearance Contract No. 65 in Western Addition A-2 to the lowest of seven bidders, Myron Demolition, for \$29,950 to demolish one vacant wood-frame building and one large concrete structure which was a former theater occupied by a church and to be vacated in the near future.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 232-75 authorizing the Executive Director to execute an addendum to the agreement contemplating a negotiated disposition of land for private redevelopment with the Nihonmachi Community Development Corporation; and approving subsequent conveyance of Parcel 686-J(3) to a member-shareholder of the Nihonmachi Community Development Corporation, Western Addition Approved Redevelopment Project Area A-2.

NEW BUSINESS (continued)

This represents a transfer of Parcel 686-J(3) to Hiroyoshi Ono and Kay Omi as member-shareholders of the Nihonmachi Community Development Corporation for \$6,028 or \$4.75 per square foot to construct a commercial building on the Buchanan Street pedestrian mall now under construction. It is the twelfth of twenty commercial developments proposed for the Nihonmachi area.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (d) Resolution No. 243-75 approving the method of sale, the minimum disposal price, and ratifying and confirming publication of a notice of public hearing and authorizing the Executive Director to enter into a disposition agreement and execute necessary conveyance instruments, all in connection with the sale of Parcels 785-B, C, and D, Western Addition Approved Redevelopment Project Area A-2.

This was the subject of the public hearing just held and is for the transfer of Parcels 785-B, C, and D to the State Bar of California for \$234,000 to construct additional space adjacent to its existing building. Construction is estimated to cost \$3,250,000 for the three-story, 60,000 square-foot building starting in the spring of 1976. Mr. Evans indicated that WAPAC and the State Bar had developed a good working relationship which was resulting in an increase in hiring of minority individuals referred from WAPAC.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

Mrs. Rogers expressed concern that the Members approve the disposition prior to action by the State Bar and WAPAC on the memorandum of understanding between those entities. Mr. Evans indicated that both boards had yet to ratify the memorandum but that action was anticipated this week. The disposition agreement sets in motion the ability of the State Bar to expend money to get construction underway. Mr. Silva asked if both boards had reviewed the document and Mrs. Rogers indicated that she had called an emergency meeting to act on it.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the motion proposing adoption of Resolution No. 243-75 be withdrawn.

Mr. Ben Stewart of WAPAC came forward and indicated that WAPAC had met with the State Bar and worked out a mutually agreeable memorandum of agreement and approval by the Members today was to have been conditioned upon approval of this agreement by the State Bar and WAPAC. Mr. Silva indicated that he had withdrawn his motion so that the approval of the Members could occur after the two boards had acted. Mr. Stewart indicated that WAPAC through its representative, Assemblyman Willie Brown, had worked with Mr. Richard Dinkelspiel of the State Bar. Mr. Solvin inquired if one week would do any damage, and Mr. Dinkelspiel came forward and concurred in the fact that although a week's delay would not be extremely detrimental, his association would prefer to have the project proceed. He urged the Members to make a decision today, conditioned upon approval of both WAPAC and the State Bar on the memorandum of agreement. Mr. Arnold Townsend requested that the motion be explicit on that point.

Mr. Evans expressed his pleasure upon the good achievement of both WAPAC and the State Bar.

NEW BUSINESS (continued)

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted subject to approval of the memorandum of agreement by both the boards of WAPAC and the State Bar Association.

- (e) Resolution No. 244-75 approving the disposition price, ratifying publication of notice of public hearing and authorizing acceptance of offer to purchase Parcel Y-16 and execution of agreement for disposition and conveyance instruments in connection therewith, Hunters Point Approved Redevelopment Project Area, NDP A-5-1.
- (f) Resolution No. 245-75 approving the disposition price, ratifying publication of notice of public hearing and authorizing acceptance of offer to purchase Parcel Z-17 and execution of agreement for disposition and conveyance instruments in connection therewith, Hunters Point Approved Redevelopment Project Area, NDP A-5-1.

Mr. Evans requested and received permission to consider both these items together. The first was the subject of a public hearing and concerns sale of one Agency-owned rehabilitated building on Parcel Y-16 to Wilson and Fannie Williams in Hunters Point for \$31,500. The second item also was the subject of a public hearing and represents sale of a residence on Parcel Z-17 to Tom and Lena Watson for \$29,000. Both families are residents of Hunters Point. HUD has concurred in the disposition prices.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that these resolutions be adopted.

- (g) Resolution No. 247-75 approving and authorizing the Executive Director to execute a work order with the San Francisco Water Department in connection with the Hunters Point Redevelopment Project Area for an amount not to exceed \$3,500.

This is a work order with the San Francisco Water Department for \$3,500 to activate a new fire hydrant adjacent to Moderate-Priced Private Housing Site 5 in Hunters Point as requested by the Fire Department prior to Site 5 occupancy.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 248-75 authorizing carpet replacement and table refinishing.

Mr. Evans requested that this item be held over pending further information. Mr. Silva suggested a one-week holdover.

- (i) Resolution No. 246-75 authorizing the Executive Director to purchase microfilm equipment.

This is for the purchase of two microfilm viewers and printers, one for use in the central office and one for engineering drawings to be used Agency-wide. The cost is \$3,700.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mr. Silva thanked WAPAC for information on the items brought before the Members.
- (b) Mr. Silva also thanked Messrs. Morris Phillips, Area Director of Hunters Point; Lloyd E. Sinclair, Assistant to the Executive Director; Wilbur Hamilton, Deputy Executive Director; and Mr. Evans for their informative and concise travel reports concerning meetings which they had attended. He believed the reports were useful to the Members.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that the meeting be adjourned. The meeting adjourned at 5:15 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

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~~MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
16TH DAY OF DECEMBER 1975~~

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 16th day of December 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley

and the following was absent:

James A. Silva

The Chairman declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Esther Marks, League of Women Voters of San Francisco; Arnold Townsend and Ben Steward, Western Addition Project Area Committee (WAPAC); Mr. Alfred Jackson, Jackson's Landscaping and Development Company; Jerry Diamond, Sons of Jesus Christ; and Jeff Sosnaud, CORO Foundation.

Representing the press was Don Canter, San Francisco Examiner.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of December 2, 1975, as distributed by mail to the Members, be approved.

REPORT OF THE EXECUTIVE DIRECTOR

Acting Executive Director Wilbur W. Hamilton reported to the Members on the following matters:

- (a) The swearing in ceremony for Mr. Stanley E. Jensen will be Wednesday, December 17, 1975 at 9:30 a.m.
- (b) Payment of in-lieu taxes collected for the City and County of San Francisco from developers has been made in the amount of \$143,619.27 for Embarcadero-Lower Market Golden Gateway Project, bringing the total in-lieu taxes paid to \$2,240,567.04.
- (c) Yesterday the Board of Supervisors approved the application for the 1976 community development funds, which will now be sent to the Department of Housing and Urban Development (HUD) for processing. The full Board reaffirmed the major funding cuts made by its Budget and Governmental Efficiency Committee and made only minor changes with respect to the Agency.

REPORT OF THE EXECUTIVE DIRECTOR (continued)

- (d) The Board of Supervisors by a vote of 7 to 3 also approved the nonprofit corporation which will construct the Yerba Buena Center Sports Arena.
- (e) This year the annual United Way campaign represented a 100 percent increase over last year's contribution, with 250 employees donating a total of \$8,120. Eleven members of the staff pledged their fair share. Mr. Hamilton indicated his thanks to those members of the staff who conducted the campaign for which the Agency received a plaque in recognition of its generosity from the United Way.

NEW BUSINESS

- (a) Resolution No. 250-75 approving a new six-months' property management park and mall maintenance and weed abatement contract with Jackson's Landscaping and Development Company in the Western Addition A-2.

Chairman Kaplan indicated that this item would be taken up at the end of the agenda.

- (b) Resolution No. 256-75 extending exclusive negotiating rights jointly to Presbyterian Church in Chinatown and Arcon, Inc. for the purchase of the project area in the Stockton/Sacramento Redevelopment Project Until June 30, 1976.

This represents extension of exclusive negotiating rights until June 30, 1976 from December 30, 1975 to the Presbyterian Church in Chinatown as developer and Arcon, Inc., as housing sponsor and nonresidential developer respectively, for the Stockton/Sacramento Redevelopment Project. The sponsoring team has performed in every respect but has experienced difficulty in the processing of their application by HUD. Exclusive negotiating rights were originally granted on March 12, 1974 and rights to December 31, 1975 were later granted.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (c) Resolution No. 254-75 awarding Demolition and Site Clearance Contract No. 5, Stockton/Sacramento NDP Project Area A-5-2, to Thomas D. Eychner Demolition Company, on the basis of the low bid received and authorizing the Executive Director to execute same.

This is an award of Demolition and Site Clearance Contract No. 3 to the lowest of six bidders, Thomas D. Eychner Demolition Company, for \$12,800 to demolish one three-story wood-frame building and two four-story wood-frame residential buildings in the Stockton/Sacramento NDP Project Area A-5-2.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (d) Consideration of authorization to advertise Demolition and Site Clearance Contract No. 15, India Basin Industrial Park Approved Redevelopment Project.

This is a request for authorization to advertise Demolition and Site Clearance Contract No. 15 in India Basin Industrial Park Redevelopment Project to demolish three sheet metal buildings with concrete slabs and foundations on Fairfax Avenue, and site clearance of vegetation, pavement, sidewalk, concrete rubble, and debris from vacant land on portions of four blocks and from Lane Street

NEW BUSINESS (continued)

between Evans and Fairfax Avenue. The buildings are scheduled to be vacated on January 31, 1975.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that Demolition and Site Clearance Contract No. 15 in India Basin Industrial Park be advertised.

- (e) Consideration of project sign for India Basin Industrial Park.

This item requests approval of the design for the project sign to be located at the entrance of the India Basin Industrial Park project. After approval plans and specifications will then be prepared and put out to bid for construction. In reply to Mr. Jensen's question, Mr. Sandy Pollack, Project Architect, indicated that the sign would be located at Third and the north side of Evans Street. Mr. Jensen inquired about the permanency and cost of the sign, and Mr. Hamilton replied the sign was permanent with an estimated cost of \$18,000. Mr. Pollack indicated that it would be bid as part of the landscaping contract for the area. Mr. Jensen expressed concern about possible vandalism, and Mr. Pollack indicated that this had been a major factor in design considerations and that the sign was to be made of precast concrete, with the lighting protected. He explained that considerable data had been collected from other industrial parks in the area relative to vandalism and this design was intended to be the most secure method of thwarting potential vandalism.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that the graphical layout of the proposed India Basin Industrial Park sign to be located at the entrance of the Park be approved.

- (f) Resolution No. 257-75 authorizing the Executive Director to execute a work order with the San Francisco Water Department for continuing inspection, connection, testing and emergency repair services, Hunters Point Redevelopment Project.

This represents a work order with the San Francisco Water Department in an amount of \$10,000 for emergency services, chlorination and testing of new mains, capping of existing lines, and making interim relocations. Work is to be initiated only at the request of the Agency.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 252-75 amending the Agency Personnel Policy relating to legal holidays.

Approval is requested to amend the Agency's Personnel Policy to conform with State Government Code change deleting time off for Good Friday afternoon and Statewide election days and adding one personal floating holiday per calendar year to be chosen by the employee and approved by his supervisor.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 253-75 travel authorization.

This concerns a request for travel for Messrs. James Nybakken, Personnel Officer,

NEW BUSINESS (continued)

and Steven F. Nord, Attorney II, to travel to Los Angeles, California to attend a Symposium on Labor Relations for Government Managers on January 28 to 30, 1976, sponsored by the University of California at Los Angeles Institute of Industrial Relations. A registration fee of \$75 each and travel expenses are included in the authorization. The program is an excellent one and appropriate to staff who will be dealing with employee agreements.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

i) Resolution No. 259-75 travel authorization.

Authorization is requested for travel of Mr. Mel Ury, Assistant to the Executive Director, to travel to Los Angeles on December 17, 1975 and return the same day. Mr. Ury is to meet with Mr. Norman Reid, Regional Director of the Federal National Mortgage Association (FNMA) to explore the possibility of the purchase of Agency bonds or notes authorized under State Bill 99 by FNMA.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

Chairman Kaplan indicated that Item 9 (a) would now be considered.

(a) Resolution No. 250-75 approving a new six months' property management park and mall maintenance and weed abatement contract with Jackson's Landscaping and Development Company in the Western Addition A-2.

Mr. Hamilton indicated that this item concerned the staff recommendation that a six-months' contract be authorized with Jackson's Landscaping and Development Corporation to continue the park and mall maintenance work and the weed abatement services previously provided for the past six years by Laborers Local Union No. 261. Jackson's will provide these services at a cost of \$92,956, or \$15,493 per month. Local 261 was performing these services for \$240,000, or \$20,000 per month. The firm is owned by Mr. Alfred Jackson, one of three black landscape contractors in the Bay Area, and he is familiar with the various projects and professionally competent to perform the landscaping work.

Mr. Hamilton indicated that there were interested parties present who wished to speak on the matter.

Mr. Jerry Diamond, representing the Sons of Jesus Christ, came forward and requested and received permission to address the Members. Mr. Diamond indicated that he wished to do a part of the landscaping beautification program and had discussed his participation with Messrs. Hamilton and Gene Suttle, Area Director for Western Addition A-2, and with the Western Addition Project Area Committee (WAPAC). He indicated he was fully qualified in landscape gardening and referred to letters from various parole departments which expressed appreciation for his part in placing past offenders in positions into such a program. Mr. Diamond stressed his belief that such a program must be administered by a person such as himself who lived in the community and understood its needs, as well as having a successful liaison with ex-offenders. He indicated his understanding of WAPAC's endorsement of Mr. Jackson which he believed was because WAPAC wished to place its own people in the program; however, he wished to have one-quarter of the contract because he badly needed a job. He stressed his belief that he was

NEW BUSINESS (continued)

entitled to the contract, not only because of his own unemployment but also because the training program would afford ex-offenders a chance to provide competent and efficient service. In the past, Mr. Diamond said he had been misguided and misused by people and that he had caused them a great deal of trouble but he wished now to be given the chance to show that he could provide a competent and efficient service and asked to have one-quarter of the contract.

Mr. Arnold Townsend of WAPAC came forward and indicated that the issue WAPAC had been asked to consider was not one of dividing the contract but was one of awarding the contract to Mr. Jackson. He indicated that Mr. Diamond had stated WAPAC wished to place certain people in the program but this was untrue and such allegations should be pursued legally as had been Mr. Diamond's claim that WAPAC's election was illegally run. Mr. Townsend indicated that it had been made clear to Mr. Jackson that WAPAC was concerned with the fact that supervisors would not be coming out of the community and that WAPAC wanted community residents to have more than just opportunities to be labor trainees. He noted that if the supervisory people WAPAC wanted to place were not qualified, Mr. Jackson could have two people remain on the job and in addition bring in two others in whom he had confidence. He stated that if the WAPAC board wished to consider the proposal from Mr. Diamond then that was another aspect to be worked out.

Chairman Kaplan suggested that the item be held over for two weeks and discussed with Messrs. Diamond and Jackson. Mr. Townsend indicated that it was not WAPAC's position to select which contractor should be hired and that WAPAC did not wish to choose between black contractors each time a contract came up in Western Addition A-2. He indicated that WAPAC had dealt with consideration of the suitability of the Jackson firm which was what the Agency staff had asked it to do.

Mr. Hamilton indicated that this was a matter which the Members had a legal right to expect WAPAC to comment upon. He indicated Mr. Townsend was correct that the consideration presented to WAPAC concerned Mr. Jackson, but the proposal by Mr. Diamond that the contract be divided should be commented upon by the community. Mr. Townsend indicated it was more simple to award the contract and let the contractor hire whomever he pleased. If the Agency wished the contract divided then that proposal should be brought before WAPAC. Mr. Hamilton indicated that the contract did not contain any provision for division and wished to know the preference of the community as to whether it should be awarded in its present form or divided between competing interests.

Mr. Jensen indicated that it appeared that WAPAC had approved the contract award, and if not he did not believe it should be considered further. Mr. Townsend indicated that the Board had voted on the proposal to hire the Jackson firm but if the contract is to be divided then this was a responsibility of WAPAC. Mr. Hamilton noted that WAPAC had previously recommended approval of Mr. Jackson. In response to Mr. Hamilton's question, Mr. Townsend indicated that the issue raised by Mr. Diamond was not new to him and that Mr. Diamond and he had spoken of it last Friday. Mr. Townsend indicated that the Agency had only requested WAPAC to decide on Jackson's firm.

Mr. Alfred Jackson came forward and commented that he was under the impression WAPAC would support award of his contract and the only discussion with WAPAC had concerned the method of selecting enrollees in the program and it was decided that they would be chosen by both the Agency and WAPAC. At the WAPAC meeting a question arose about promotion of enrollees to supervisorial positions,

NEW BUSINESS (continued)

and it was his contention that since the contract was his responsibility, he could only be as good as his workers were and therefore was willing to work with WAPAC and the Agency but reserved for himself the final selection and dismissal of supervisors.

Chairman Kaplan asked about trainees. Mr. Jackson indicated that he would use people recommended by WAPAC and the Agency and referred to his letter to be sent to Mr. Evans summarizing this matter. Mr. Mosley agreed that the program could not be properly run less the contractor had the necessary authority to administer it, but at the same time it was necessary to also work with the community. Mr. Mosley inquired if Mr. Jackson had considered using Mr. Diamond as a supervisor, or in any other capacity. Mr. Jackson indicated that he had not discussed the matter with Mr. Diamond.

Mr. Townsend indicated that he thought everything was understood after the WAPAC Board meeting on the subject the preceding Thursday and stressed that WAPAC was acting only in the capacity of a referral agency. He reiterated that the program should not be just for labor trainees but that community residents should be hired as supervisors whenever the opportunity was available. Mr. Townsend indicated his agreement. Chairman Kaplan indicated that the item would be held over for two weeks.

Chairman Kaplan welcomed Mr. Jeff Sosnaud of the CORO Foundation to the meeting.

MATTERS NOT APPEARING ON AGENDA

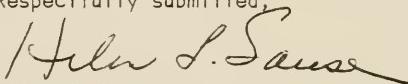
- (a) Mr. Hamilton indicated that a request had been received from Local 400 for release of pay checks to be accelerated from December 26, 1975 to December 24, 1975 preceding the Christmas holiday. This necessitates a waiver of the Personnel Policy Section VII, A, 3 and 4 concerning release of pay checks.

MOTION: It was moved by Mr. Jensen, seconded by Mr. Mosley, and unanimously carried that Personnel Policy Section VII Compensation, A., Administration Subsections 3 and 4 be waived with respect to the payment of compensation for the pay period ending December 28, 1975, and that release of pay checks be made on December 24, 1975 rather than on December 26, 1975.

ADJOURNMENT

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:15 p.m.

Respectfully submitted,



Helen L. Sause
Assistant Agency Secretary

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= MINUTES OF A REGULAR MEETING OF THE
= REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
= 30TH DAY OF DECEMBER 1975

The Members of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at 939 Ellis Street in the City of San Francisco, California at 3:30 o'clock p.m. on the 30th day of December 1975, the place, hour, and date duly established for the holding of such meeting.

The Chairman called the meeting to order and on roll call the following answered present:

Walter F. Kaplan, Chairman
Francis J. Solvin, Vice Chairman
Stanley E. Jensen
Joe Mosley
James A. Silva

and the following was absent:

None

The Chairman declared a quorum present.

Wilbur W. Hamilton, Acting Executive Director, and staff members were also present.

Also present were Arnold Townsend, Ben Stewart, and Mary Rogers, Western Addition Project Area Committee (WAPAC); H. Welton Flynn, Pyramid Development Company, Inc.; Alfred Jackson Jackson's Landscaping and Development Company; Jerry Diamond, Sons of Jesus Christ, Harold Drummer, Drummer's Janitorial and Maintenance Service; Jim Lewis, California State Parole and Community Services; and Howard Norman, interested citizen.

Representing the press were Marshall Kilduff, San Francisco Chronicle; Don Canter, San Francisco Examiner; and Dan Borsuk, San Francisco Progress.

APPROVAL OF MINUTES

It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that the minutes of the Regular Meeting of December 16, 1975, as distributed by mail to the Members, be approved.

SPECIAL APPEARANCES

(a) Election of officers

Chairman Kaplan indicated that the Agency's By-Laws required that an annual election of officers be held at the last regular meeting of the year or the first meeting of a new year. He then opened the meeting for nominations.

Mr. Jensen commended Chairman Kaplan for his excellent service to the Agency and nominated him for the office of Chairman, and Mr. Solvin seconded the nomination. Mr. Silva indicated that there be no further nominations, and Mr. Kaplan was unanimously elected Chairman of the Agency for the year of January 1, 1976 to December 31, 1976.

SPECIAL APPEARANCES (continued)

Mr. Solvin noted that although it was traditional to continue the Chairman and Vice Chairman in office, he wished to nominate Mr. Jensen for the office of Vice Chairman, effective January 1, 1976 to December 31, 1976, because it was his intention to resign and he believed it to be inappropriate for him to accept the Vice Chairmanship. Mr. Mosley seconded the nomination. Mr. Silva indicated that there be no further nominations, and Mr. Jensen was unanimously elected Vice Chairman.

Chairman Kaplan and Mr. Hamilton expressed their regrets at Mr. Solvin's resignation. Mr. Solvin indicated his belief that every mayor has the right to choose his own commissioners and to ask existing commissioners to submit their resignations, which may or may not be accepted. He noted an opinion of the City Attorney had just been received which indicated that he would be entitled to fill out his remaining term of office, but Mr. Solvin believed the Mayor-elect was entitled to have his own people on the board and that was the reason he was offering his resignation.

Mr. Jensen indicated Mr. Solvin had been an asset to the Agency during his eight years of service, and Chairman Kaplan indicated he would be missed. Mr. Mosley moved to reaffirm all other incumbent officers of the Agency, and Mr. Jensen seconded the motion. The Members unanimously reaffirmed Mr. Wilbur Hamilton, Secretary, and Mr. Wes Willoughby, Treasurer, of the Agency.

UNFINISHED BUSINESS

- (a) Resolution No. 250-75 approving a new six-months' property management park and mall maintenance and weed abatement contract with Jackson's Landscaping and Development Company in the Western Addition A-2.

Chairman Kaplan indicated that this item would be considered later.

NEW BUSINESS

- (a) Consideration of time extension of developer rights for the Pyramid Development Company, Inc., Parcels 726-A and 731-A, Western Addition Approved Redevelopment Project Area A-2.

Mr. Hamilton indicated that this was a request for an extension of 120 days to be granted to Pyramid Development Company, Inc. (PDC) to April 30, 1976 to allow the firm time to complete financing matters. PDC has completed its preliminary plans and specifications, interior specifications, environmental impact report, standard lease agreements, promotional material, and cost analysis and was delayed by the need to obtain a fire zone variance which in turn delayed the submission of its financial and loan request package to potential lenders. PDC expects to commence construction in 1976 on the 110,000 square feet of office space and 55,000 square feet of commercial development in the Fillmore Center and has renewed its letter of credit for \$26,970 for six months.

MOTION: It was moved by Mr. Mosley, seconded by Mr. Silva, and unanimously carried that Pyramid Development Company, Inc. be granted a 120-day time extention to April 30, 1976 for submission of evidence of firm financing.

NEW BUSINESS (continued)

Mr. Tommy Barfield, Business Development Specialist, came forward and displayed renderings of the Fillmore Center and presented views of the three-story buildings consisting of ground floor commercial or retail space and office space in addition to an interior plaza. This court would have shops on both sides and offices overhead. Mr. Silva indicated that it was very attractive.

UNFINISHED BUSINESS (continued)

- (a) Resolution No. 250-75 approving a new six months' property management park and mall maintenance and weed abatement contract with Jackson's Landscaping and Development Company in the Western Addition A-2.

Mr. Hamilton indicated that this item concerns authorization of a six-months' contract with Jackson's Landscaping and Development Corporation for \$92,956, or \$15,493 per month, to perform the scope of services previously provided by Laborers' Local No. 261 under dual contracts for maintenance and weed abatement. These services are now combined and Mr. Alfred Jackson, who has done work for the Agency and is experienced and licensed, is recommended to perform the necessary work in the Western Addition A-2 miniparks and weed abatement in Diamond Heights and Yerba Buena Center. The Members had asked that this item be held over pending further consideration by the Western Addition Project Area Committee (WAPAC) on matters presented by Mr. Jerry Diamond at that meeting. Mr. Hamilton indicated that Mrs. Mary Rogers of WAPAC would now make a statement in that regard.

Mrs. Mary Rogers came forward and indicated that it was WAPAC's desire that the Members approve the contract with Jackson's Landscaping and Development Company. She noted the decision had been reached after a meeting of WAPAC and Mr. Jackson wherein the question of trainees had been considered and resolved. Mr. Jackson will hire trainees from Western Addition A-2 as submitted to him by WAPAC, although it was agreed that Mr. Jackson could terminate any person unsuitable for the job. Mrs. Rogers indicated Mr. Jackson had done a good job and would provide an opportunity for young men in the area to enter the field of landscaping.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

Mr. Jerry Diamond of the Sons of Jesus Christ came forward and requested that he be given some consideration. He indicated that a member of the Parole Department of the State of California was present with letters of recommendation indicating his ability to perform landscaping work. Mr. Jensen indicated that a substantial amount of money was paid annually to WAPAC and he saw no reason to go contrary to WAPAC's recommendation. Mr. Diamond asked that the parole officer be heard, and Chairman Kaplan indicated the Members would be pleased to hear him.

Mr. Jim Lewis of the State of California Parole and Community Services Division came forward and indicated the Mr. Diamond had worked in the past with ex-offenders and had letters from various representatives of the department attesting to his work.

Mr. Diamond indicated he did not want to divide people, but he did wish to have a portion of the contract and had joined the union so that he could meet all

UNFINISHED BUSINESS (continued)

the requirements. Chairman Kaplan indicated that the matter had been voted upon and Mr. Diamond requested that the Members vote again by roll call.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, that Resolution No. 250-75 be adopted, and on roll call the following voted "Aye":

Mr. Kaplan
Mr. Solvin
Mr. Jensen
Mr. Mosley
Mr. Silva

and the following voted "Nay":

None

and the following abstained:

None

The Chairman thereupon declared that the motion passed.

Chairman Kaplan indicated to Mr. Diamond that there would be other contracts and suggested Mr. Diamond contact Mr. Hamilton.

NEW BUSINESS (continued)

- (b) Resolution No. 260-75 awarding a contract to Robert Yick Co., for consideration of a maintenance shed, M. Justin Herman Plaza, Phase II.

This concerns authorization to award a contract to the lowest of four bidders, Robert Yick Company, for \$1,850 to construct a maintenance equipment shed in the M. Justin Herman Plaza, Phase II. This shed was requested by the San Francisco Department of Recreation and Parks as a storage facility for its gardening equipment to be used in the maintenance of the plaza. Mr. Silva inquired if this was the last of the work to be done in the area, and Mr. Redmond Kernan, Director of the Engineering Division, noted that some cleanup work remained. Mr. Silva inquired how much this would cost, and Mr. Kernan indicated that at this time he did not know. Mr. Silva suggested that all the items be brought to the Members at one time and Mr. Hamilton inquired what the timing was on this. Mr. Kernan indicated that all the items could be in within two weeks' time. Chairman Kaplan indicated that the resolution would be rejected and brought before the Members with all the items necessary to complete the Plaza.

- (c) Resolution No. 261-75 authorizing the Executive Director to enter into a contract for janitorial services at the Central office and Hunters Point site office.

This concerns award of a janitorial service contract for Central office and Hunters Point site office to the lowest of seven bidders, the Albright Janitorial Service, for \$825 for Central office and tied for the low bid at \$590 for the Hunters Point office. The contract is presently serviced by Drummer's Janitorial Service for \$925 for Central and \$670 for Hunters Point.

NEW BUSINESS (continued)

Mr. Hamilton indicated that Albright Janitorial Service is presently performing satisfactorily at the Yerba Buena Center site office.

Mr. Harold L. Drummer came forward and indicated that he was the present contractor and had just heard the low bid. He indicated that he had performed work beyond the scope of the specifications and he passed out to the Members copies of a memorandum detailing the additional work. He asked that he be considered for another year. Mr. Hamilton indicated that pursuant to Agency policy the contract is reoffered annually and all janitorial contractors bid on the same scope of services. Mr. Silva indicated that Mr. Drummer claimed to be doing more than what the contract called for. Mr. Mosley asked Mr. Drummer if he was contending that the specifications in the bid did not cover the work required to do the job, and Mr. Drummer answered affirmatively. He indicated, however, he could live with the terms of the previous contract and was willing to do extra work but wished to be considered for another year. Mr. Drummer indicated that there had been complaints when he did only the work covered in the specifications and had found it necessary to do extra work for which he was not compensated. Mr. Hamilton suggested that if in fact there were additional items that should be in the specifications in order to do the job effectively, then Mr. Drummer could continue the contract, specifications be rewritten, and the contract rebid. Mr. Mosley inquired and Mr. Drummer affirmed that he had done the extra work all year. Mr. Hamilton indicated that the difference from last year's contract with Mr. Drummer to the low bid this year for Central office was from \$925 to \$825 and for Hunters Point \$670 to \$590. Mr. Drummer pointed out that Hunters Point had requested an upgrading of maintenance in June and the price in his bid therefore had been more to allow for this service, with part of this increase being due to a trailer house. Mr. Hamilton noted that this additional service was in this year's bid specifications. Both Messrs. Silva and Mosley suggested rebidding the contract.

MOTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that Resolution No. 261-75 be rejected and the contract for janitorial services at the Central office and Hunters Point site office be rebid, and that the present contractor, Drummer's Janitorial Service, continue until job specifications are rewritten, the contract advertised, rebid, and awarded by the Members.

- (d) Resolution No. 255-75 approving ordering pest control services from the Department of Public Health, all projects.

This represents a work order with the Department of Public Health to continue use of two persons consisting of a Senior Rodent Controlman and Rodent Controlman to administer extermination measures in conjunction with demolition activities. Under State law only the Department of Public Health staff may use the extremely toxic poison required to exterminate the pests in buildings being demolished. The work order is for one year at a cost of \$17,500 to cover salaries and \$5,000 for materials, for a total of \$22,500 paid on actual cost basis.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

NEW BUSINESS (continued)

- (e) Resolution No. 265-75 approving agreement for pest control services with Terminix of Northern California, Incorporated, all projects.

This is for a one-year contract for pest control services with the lowest of three bidders, Terminix of Northern California, Inc. for \$45,000. This contract covers all Agency-owned property except those buildings on demolition contracts. The Department of Public Health indicated that Terminix has performed satisfactorily on its contract and now has brought its minority employment up to 30 percent. Mr. Silva indicated that last year staff and the Health Department had not recommended this company even though it had been the low bidder, but now it has proven itself and is being recommended for approval. He stressed that the Members had been criticized for their decision but it had turned out to be correct.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (f) Resolution No. 266-75 approving work orders to the San Francisco Department of Public Works for fees to obtain permits, all projects.

This would authorize expenditure of \$175,000 for work orders with the Department of Public Works for sewer service connections for sites expected to begin construction in 1976. This would permit developments in redevelopment areas to proceed should the Regional Water Quality Control Board prohibit issuance of sewer service connections as a means of expediting City compliance on waste water discharge. Should the permits not be used, the funds advanced for them will be refunded by the City and County of San Francisco to the Agency. If permits are used and the sewer connections installed, the Agency will recover the cost of the installations from future developers.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

- (g) Resolution No. 267-75 authorizing expenditure of funds necessary to complete the agreement for weed abatement services, all projects.

This requests authorization to expend \$3,500 to close out the contract for weed abatement services with the Laborers' Union Local No. 261. The Members on November 25, 1975 approved cancellation of this agreement at the request of Local 261. Final billings submitted by Local 261 have been reviewed by staff and found to be in accordance with the agreement.

ADOPTION: It was moved by Mr. Mosley, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (h) Resolution No. 263-75 approving agreement for fencing services with Build Rite Fence Company, all projects.

This concerns a one-year fencing contract awarded to the lowest of four bidders, Build Rite Fence Company, for \$60,000 to provide an estimated 10,000 lineal feet of chain link fence and fifteen 20-foot double gates, thirty 12-foot gates, and thirty 4-foot walk gates, for all projects. The Build Rite Company has previously done satisfactory work for the Agency. In reply to Mr. Silva's question, Mr. William McClure, Deputy Director of Residents and Business Services, indicated that the firm had worked for the Agency in 1973 and that Oakland

NEW BUSINESS (continued)

Fencing was the contractor in 1974, and Anchor Fencing in 1975. In response to Mr. Jensen's inquiry, he also indicated that the quality of the fencing was the same throughout all projects. Mr. Silva inquired what the price of the fencing was last year, and Mr. McClure indicated it was \$4.24 per linear foot, as opposed to \$3.99 in the Build Rite proposal, and that all of last year's contract amount was used and this year's is also expected to be expended.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (i) Resolution No. 264-75 authorizing write-off of certain delinquent rents due and credit balances owed, Yerba Buena Center, Western Addition A-2, Hunters Point, and India Basin.

This concerns the write-off of delinquent rental accounts for Hunters Point, India Basin, Western Addition A-2, and Yerba Buena Center totaling \$41,341.43 on the basis of Agency rental policy and Federal regulations. The basis for writing off rent is (1) cost of collection being unwarranted; (2) undue hardship; and (3) no reasonable prospect of collection. Also requested is authorization to write off a credit balance of \$884.73 for unlocated tenants or those denying entitlement to a refund.

Mr. Jensen inquired about a specific tenant being carried without paying rent, and Mr. Hamilton indicated that this person was not included. Mr. Jensen inquired if there was a possibility that collection could be made of the overdue rent and if these were tenants still occupying property and accumulating a greater indebtedness. Mr. McClure came forward and indicated that these accounts were only for vacated properties and were placed with collection agencies, and if anything were collected it would be credited to the Agency. Mr. Solvin inquired about one tenant in particular who was an architectural firm, and Mr. Clure replied that this account was also with a collection agency. He explained that the write-offs were a bookkeeping procedure which the Department of Housing and Urban Development (HUD) auditors had suggested as proper accounting procedure.

ADOPTION: It was moved by Mr. Jensen, seconded by Mr. Silva, and unanimously carried that this resolution be adopted.

- (j) Resolution No. 268-75 approving the support of a petition to the State Supreme Court by the Redevelopment Agency of San Pablo to test the validity of Senate Bill 99.

This proposes a statement of Agency support for Senate Bill 99 which authorizes redevelopment agencies to issue bonds or notes for financing new construction in redevelopment projects. The Redevelopment Agency of the City of San Pablo is petitioning the State Supreme Court to favorably resolve issues prerequisite to the use of Senate Bill 99 and this action affirms the Agency's support of San Pablo's petition.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that this resolution be adopted.

- (k) Consideration of City budget request.

This is a request for approval of a budget request in the Mayor's budget for

NEW BUSINESS (continued)

an item concerning payment of the coming year's Members' fees for forty-eight meetings of five Members each totaling \$6,000. In reply to Mr. Jensen's question, Mr. Larry Baratte, Chief Accountant, replied that last year's cost was \$5,000 approximately.

MOTION: It was moved by Mr. Silva, seconded by Mr. Jensen, and unanimously carried that the annual request for payment of Members' fees for 1975-1976 from the City budget be submitted in the amount of \$6,000.

- I) Resolution No. 262-75 outlining policy governing official travel by Agency Members and employees.

This represents amendment to the travel policy to provide \$60 per day subsistence from the present \$40 per day to accommodate the increased cost of travel, effective December 9, 1975. It was raised from \$25 per day in 1970 and HUD has concurred in the proposed increase. Mr. Jensen suggested that the Agency pay for the hotel room and provide a flat rate of \$25 for the cost of meals and he cited the difference in cost of hotel rooms between San Diego and New York. Mr. Hamilton indicated that he was entirely in sympathy with the suggestion, however, HUD requires payment of a flat rate and the Agency must therefore follow the same procedure. Mr. Jensen indicated that in payment of a flat amount the employee could be required by the Internal Revenue Service to account for all expenditures but Mr. Hamilton indicated that the Agency requires each employee who travels to make such an accounting.

ADOPTION: It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that this resolution be adopted.

MATTERS NOT APPEARING ON AGENDA

- (a) Mrs. Mary Rogers of WAPAC came forward to protest that Mr. Welton Flynn of Pyramid Development Company, Inc. continues to ignore WAPAC. As an example, she noted that the Fillmore Center material had just been received by WAPAC at 2:30 p.m. yesterday which did not allow adequate time for review. She indicated that only Mr. Gene Suttle, Area Director of Western Addition A-2, forwarded PDC material to WAPAC and she asked that the Members direct Mr. Flynn to communicate with the community organization.

Mr. Silva endorsed the concept of Mrs. Rogers' statement but only if her remarks referred to the firm and not to a personality. Mrs. Rogers indicated her acceptance of this.

Mr. Arnold Townsend of WAPAC came forward and indicated that the other members of PDC had been approachable and that there had been no problems with them. He expressed concern that the Members had granted the extension which would put the project back 120 days without hearing from WAPAC and suggested that the project could not be put together; hence, he questioned the efficacy of pursuing an anchor tenant. Mr. Silva indicated that when the extension was made no one expressed interest in speaking on the subject and that the extension would give the only developer a chance to resolve his financing matters.

Mr. Townsend indicated that there was little likelihood that anyone else would come forth since PDC was designated as developer; however, he indicated

MATTERS NOT APPEARING ON AGENDA (continued)

that he knew of a party interested in the project. He claimed that the community people could not plan without knowing what PDC was proposing, and he noted that there was no coordination. Chairman Kaplan stressed that PDC had designated interest in only two blocks. Mr. Silva suggested that any other proposals be brought for consideration by the Members.

Mr. Silva asked if the Philippine Trade Center was contacting WAPAC, and Mr. Townsend responded they were but he indicated that others who were building in the community such as the Nihonmachi were not contacting WAPAC.

Mr. Hamilton indicated that PDC was moving as quickly as possible under restraints and was performing but agreed that PDC should be communicating with WAPAC. Mr. Ben Stewart of WAPAC reiterated the lack of communication by PDC and indicated his hope to put together a group to develop the Fillmore Center. He expressed the wish that they would be afforded the consideration that PDC has enjoyed. Mr. Hamilton indicated that he would welcome anyone with the capability to develop the remaining portions of the Fillmore Center. Mr. Jensen urged that anyone with the financial capability should come forward. Mrs. Rogers again requested that the Members direct PDC to open communications with WAPAC. Mr. Silva suggested that a letter be sent to PDC concerning this matter, and Mr. Hamilton indicated his concurrence.

Mr. Jensen inquired if the financial matters of the Philippine Trade Center had been resolved, and Mr. Hamilton indicated that no news had yet been received. Mr. Jensen also inquired about the American Telephone and Telegraph Company's development in Yerba Buena Center, and Mr. Quintin McMahon, Director of Real Estate, Marketing, and Business Development, indicated that AT&T had received two separate developer proposals for review and he understood that these contemplated construction of the building in Yerba Buena Center.

ADJOURNMENT

It was moved by Mr. Silva, seconded by Mr. Mosley, and unanimously carried that the meeting be adjourned. The meeting adjourned at 4:50 p.m.

Respectfully submitted,


Helen L. Sause
Assistant Agency Secretary

2452-2

